### Classifications

- Economy
- Banking
- Agriculture & Rural Development
- Industry
- Small Scale Industry
- International Economics
- Labour & Personnel Management
- Management
- Miscellaneous
- Books

### Newspapers

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### Weeklies

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"Centre pings rating agencies on economy in upgrade push: Move after low private investments projected as 'constraint'" – To convey India's pitch for a sovereign rating upgrade better, the finance ministry has begun interacting with global rating agencies through teleconferences and e-mails on a more regular basis to give clarifications and updates regarding the economy. A report. – (H Aug 4, 2017 p 13)

"Economy is not a machine, it's like an evolving ecosystem, says Sanyal" – Edited excerpts from an interview with Sanjeev Sanyal, Principal Economic Advisor, Finance Ministry. – (Mint Aug 10, 2017 p 18)

"If I were in MPC, I would have gone for a 50-bps cut" – Edited excerpts from an interview with Kaushik Basu, former Chief Economic Advisor, Finance Ministry. I think demonetisation was an unfortunate policy intervention. Over here, 86% of the value of the currency is attacked. It is too big a jolt to the market system. – (ET Aug 5, 2017 p 6)

"Impact of better tax-to-GDP ratio" – There is substantial increase in the taxpayers' base for both direct and indirect taxes in last few years due to various government initiatives and reforms. Ashwini Kumar Sharma asks the experts about its impact. Girish Vanvari, national head of tax, KPMG in India; Suresh Surana, founder, RSM Astute Consulting Group; D K Srivastava, chief policy adviser, EY India; Aditi Nayar, principal economist, ICRA Ltd. Expert speak. – (Mint Aug 8, 2017 p 13)

"Needed: A new generation of policy economists" – India needs a third generation of policy economists to provide the political leadership with a broad future agenda on the economy. An article. – (Mint Aug 8, 2017 p 14)

"You need to develop relationships across bureaucracy and with private sector to be trusted and effective in India" – Rakesh Mohan, Distinguished Fellow at Brookings India, has been deputy governor of Reserve Bank of India and secretary in the ministry of finance. He is the editor of 'India Transformed: 25 Years of Economic Reforms' and spoke on the debate around expat economists in Indian policymaking, RBI's inflation targeting regime and economic reform processes. – (TI Aug 9, 2017 p 16)

Chakravarty, Manas – "RBI surveys a wake-up call for the government" – Perceptions matter. The government of the day will be able to garner more support if people feel their incomes are increasing or their employment prospects have improved. True, non-economic factors matter a lot and, throughout history, the ability to stage circuses has been as important for governments as providing bread. But economic factors play a big role in people's sense of well-being and the latest RBI surveys should be a wake-up call for the central government. An article. – (Mint Aug 8, 2017 p 6)

Lokeshwarri S K – "Growth under a cloud" – The RBI might have kept its growth outlook unchanged in the recent policy meet, but macro data released in the last few months suggest that the economy has not recovered completely from the impact of demonetisation. The GST roll-out is also taking a toll on the economy. A graphical report. – (HBL Aug 4, 2017 p 9)

Narayanan, Dinesh – "Who is the hero of the Indian economy?" – The Indian middle class, Prime Minister Narendra Modi's biggest supporters, has not only believed in him but also carried the economy through high water. An article. – (ET Aug 8, 2017 p 14)

Ninan, T N – "Disruption, then revival?" – The economy began slowing down over a year ago. The slowdown accelerated, if you will, after the November demonetisation, if one is to judge by the very modest 5.6 per cent increase in gross value added (GVA) during the January-March quarter - down from 8.7 per cent a year earlier. Over the same four quarters, growth in the manufacturing sector slumped to 5.3 per cent, from 12.7 per cent in January-March 2016, while construction activity contracted. The big question therefore is whether the numbers for the April-June 2017 quarter, to be announced at the end of this month, will see a reversal of the slowdown. Most pundits expect the slowdown to have bottomed out, with the next quarterly growth numbers to be better, or at worst a repeat at 5.5-6.0 per cent. An editorial. – (BS Aug 5, 2017 p 9)
Shah, Ajay – "Elements of the recovery" – A way out of present economic slump is to revisit template of 15 years ago and follow its constituents. An article. – (BS Aug 7, 2017 p 11)

**ECONOMIC REFORMS**

"We've failed to adopt a strategic policy stance for agricultural growth" – Excerpts from an interview with Rakesh Mohan, former Deputy Governor, Reserve Bank of India. – (IE Aug 4, 2017 p 13)

**GST**

"Remove tax uncertainty: GST should move towards more simplicity" – An editorial. – (BS Aug 8, 2017 p 9)

"Some elements are spreading wrong GST messages, photos on social media" – Edited excerpts from an interview with Hasmukh Adhia, Revenue Secretary. – (ET Aug 6-12, 2017 p 3)

**NITIAAYOG**

"Course correction" – The NITI Aayog has so far suffered from a lack of clear focus. This needs to change. An editorial. – (HBL Aug 8, 2017 p 8)

"Govt may revisit GST in 2-3 years, unify many rates" – Edited excerpts from an interview with Arvind Panagariya, Outgoing NITI Aayog Vice-Chairman. – (BS Aug 10, 2017 p 10)

"PM was keen that I stayed on, but leave from Columbia could not be extended" – Edited excerpts from an interview with Arvind Panagariya, NITI Aayog Vice-Chairman. – (Mint Aug 9, 2017 p 16)

"Rajiv Kumar is NITI Aayog vice-chairman" – Economist Rajiv Kumar was named as the new vice-chairman of NITI Aayog, five days after the incumbent Arvind Panagariya announced that he would quit returning to academics. The government also appointed Vinod Paul, a pediatrician at AIIMS, as a member of the NITI Aayog, according to an official spokesman. – (FE Aug 6, 2017 p 1)

**SERVICES SECTOR**

"GST impact: Services PMI plunges to 45.9 in July: Lowest level since Sept 2013 signals sector contraction" – Service sector activity in July fell to its lowest level in nearly four years, evidently under the impact of the introduction of the Goods and Services Tax (GST), according to a private monthly survey. The Nikkei India Services PMI Business Activity Index plunged to 45.9 in July, its lowest level since September 2013. In June, it was at an eight-month high of 53.1. An index reading above 50 indicates expansion, while an imprint below the benchmark denotes contraction. – (HBL Aug 4, 2017 p 1)

**TAXATION**

"Foreign remittances under I-T lens: Taxmen seeks answers from CAs on issuing 'zero' TDS certificates" – The international arm of the income tax (I-T) department is examining the tax deduction at source (TDS) certification issued by chartered accountants (CAs) in case of remitting money abroad. According to a senior tax official, the I-T department suspects that entities have colluded with CAs to obtain 'zero' TDS certificates and hence, remitted taxable income abroad without paying taxes. 'We have sought an explanation from CAs in certain cases and asked them to file replies. The queries are based on the criteria upon which they had issued TDS certificates', according to the official mentioned above. – (BS Aug 8, 2017 p 4)

**BANKING**

**GENERAL**

Krishnan, Aarati – "End banks' monopoly over retail savings" – In the absence of viable options for risk-averse investors, Indian banks take depositors completely for granted. An article. – (HBL Aug 4, 2017 p 8)

Mohan, R – "Will banks rise to the challenges ahead?" – Banks must install appropriate software forthwith to deal with the significant accounting changes owing to Ind AS and GST. An article. – (HBL Aug 8, 2017 p 8)
**ANDHRA BANK**

"Andhra Bank's Q1 net profit rises 14%" – Andhra Bank posted a 14% rise in net profit at Rs.40.42 crore for the first quarter ended June even as bad loans increased. The bank clocked a net profit of Rs.31.09 crore in the same quarter of the previous financial year. The total income for the quarter increased to Rs.5,155.21 crore, from Rs.4,855.50 crore in the year-ago period, Andhra Bank said in a regulatory filing to the stock exchanges. On asset quality, the bank's gross non-performing assets (NPAs) deteriorated to 13.22% of gross advances as on June 2017, up 10.30% a year ago. Net NPAs were at 8.09% of net advances, as against 6.21% a year ago. – (FE Aug 5, 2017 p 10)

"Andhra Bank: Unaudited (Reviewed) financial results for the quarter ended 30th June, 2017" – An advertisement feature. – (HBL Aug 5, 2017 p 14)

**AXIS BANK**

– INTEREST RATES

"Axis Bank cuts savings rate to 3.5% for deposits up to Rs.50 L" – Analysts believe other banks will also slash savings rates or, at least, restructure their savings products to reduce costs. Axis Bank lowered the interest rate on savings accounts (SAs) of up to Rs.50 lakh by 50 basis points (bps) to 3.5%. The bank will continue to pay 4% interest on savings accounts with balances of more than Rs.50 lakh. – (FE Aug 9, 2017 p 12)

**BANK OF BARODA**

"BoB enters into MoU with Kheyti Tech Pvt. Ltd." – Bank of Baroda, India's International Bank, with the objective to focus on government's priority in doubling of farmer's income by 2022 is creating an ecosystem to provide end to end solution to farmers by entering into MOU with Kheyti Tech Private Limited to finance the ‘Greenhouse-In-Box (GIB)’ i.e. an affordable, modular greenhouse bundled with end-to-end services offered by the company. Kheyti Tech Pvt. Ltd. (Kheyti) started with the mission to help smallholder farmers in assuring a regular monthly income with a solution named 'Greenhouse-in-a-Box' (GIB), an affordable modular greenhouse bundled with end-to-end services. – (FE Aug 8, 2017 p 18)

– INTEREST RATES

"BoB cuts SB deposit rates" – Possibly taking a cue from State Bank of India, Bank of Baroda has cut interest rate on savings bank (SB) deposits. The public sector bank will offer 3.5 per cent interest on SB deposits up to Rs.50 lakh as against 4 per cent hitherto. The new SB rate is effective from August 5. On SB deposits above Rs.50 lakh, the interest rate continues to be 4 per cent, BoB said in a statement. – (HBL Aug 5, 2017 p 6)

**BANK OF INDIA**

"Bank of India swings to black in Q1 with Rs.87.7 crore profit" – Bank of India said it swung to a profit in the June quarter from a loss in the year-ago period as it set aside less money to cover bad loans and other income jumped. Net profit for the quarter stood at Rs.87.71 crore from a loss of Rs.741 crore a year ago. Ten analysts polled by Bloomberg had forecast a loss of Rs.83.90 crore. Provisions and contingencies declined 19% to Rs.2,245.28 crore from Rs.2,770.19 crore in the same quarter last year. It fell 53% from Rs.4,736.21 crore in the preceding March quarter. Other income surged 30% from a year ago to Rs.1,610.96 crore. – (Mint Aug 10, 2017 p 5)

"Bank of India: Reviewed financial results for the quarter ended 30th June 2017" – An advertisement feature. – (Mint Aug 10, 2017 p 11)

"Bol recalls Rs.306-cr loan given to HDIL subsidiary" – In what seems to be more trouble brewing for real estate developer HDIL, state-run lender Bank of India has recalled a Rs.306-crore loan given to HDIL subsidiary Privilege Power and Infrastructure. This comes after Union Bank dragged group firm Gurushash Construction to the National Company Law Tribunal (NCLT). – (ET Aug 10, 2017 p 15)
"BoI to pare stake in STCI Finance" – As part of its strategy to unlock the value of its investments in subsidiaries, associates and joint ventures, Bank of India said it is planning to sell its partial/entire stake in STCI Finance. The public sector bank holds 1,13,83,781 equity shares representing 29.96 per cent stake in STCI. – (HBL Aug 8, 2017 p 10)

"We have lined up sale of some non-core assets: BoI's Mohapatra" – Edited excerpts from an interview with Dinabandhu Mohapatra, Managing Director & CEO, Bank of India. – (Mint Aug 10, 2017 p 18)

Iyer, Aparna – "Bank of India's swing to profit is but a brief relief" – The fact that Bank of India swung to a profit in the quarter ended 30 June after being mired in losses for two consecutive quarters was reason enough for the stock to gain nearly 4%. But dig into the details of the bank's results and the picture gets ugly. An article. – (Mint Aug 10, 2017 p 4)

BANK OF MAHARASHTRA

"BoM reduces MCLR rates by 0.05-0.15%" – Bank of Maharashtra (BoM) has slashed the marginal cost based lending rates (MCLR) by 0.05 to 0.15 per cent with effect from 7 Aug 2017, making its home loans cheaper. The base rate remains unchanged at 9.70 per cent per annum. With the Reserve Bank of India cutting the repo rate by 0.25 per cent, borrowers, particularly those with home loans, will get the benefit of decline in EMIs. – (FE Aug 8, 2017 p 10)

CANARA BANK

"Canara Bank taps bond market with $400 mn issue: It is part of a $2 billion medium term note programme" – Canara Bank is in the international bond market with a $400-million issue as part of its $2 billion medium term note programme. Canara Bank is in the international debt market with a benchmark dollar bond issue that will have a tenor of five years. 'The lender is likely to raise $400 million through the bond sale issue, which will be drawn through its London branch and will be listed on the Singapore Stock Exchange,' according to merchant banking sources. – (H Aug 6, 2017 Pt. II p 10)

CENTRAL BANK OF INDIA


CITY UNION BANK

"City Union Bank Ltd.: Reviewed un-audited financial results for the quarter ended 30th June, 2017" – An advertisement feature. – (FE Aug 10, 2017 p 24)

"City Union Bank Q1 net profit rises 14%" – City Union Bank reported a 14% jump in its net profit to Rs.140 crore for the June quarter, compared with rs.124 crore in the same quarter, compared with Rs.124 crore in the same quarter last fiscal. The bank posted total income of Rs.961 crore in Q1 as against Rs.883 crore in the same period previous fiscal. N Kamakodi, MD & CEO, said the bank could post an overall decent performance as compared to peers and industry-level performance. – (FE Aug 10, 2017 p 10)

"CUB gives new life to four lakes" – Desilting lakes is hardly the sort of thing you would expect of a bank, but when the President of the Tamizhga Vivasayigal Sangam approached City Union Bank (CUB) with such a request late in May, the latter immediately took up the project. The Kumbakonam-headquartered bank's Managing Director, N Kamakodi, told BusinessLine that in a matter of three months, CUB had four lakes - Vadesamangalam, Edannavasal, Paruthikkottai and Moovanallur - in and around Mannargudi town, 38 km away, desilted. There are 16 lakes in the region. The works included deepening, desilting and strengthening bunds. As luck would have it, there was a heavy downpour the day after we de-silted the lakes. A report. – (HBL Aug 10, 2017 p 1)
HDFC BANK

"HDFC Bank eyeing refinance business" – Given that a large part of the banking system is facing capital constraint, HDFC Bank, which does not face such an issue, will eye refinance opportunities and acquire good assets, according to Kaizad Bharucha, Executive Director. Despite the bad loan challenges that the overall banking system is up against, Bharucha said he remains optimistic and excellent opportunities exist in further extending the working capital loan book across business segments. Today, term loans constitute about 30 per cent of HDFC Bank corporate banking book, which grew over 20 per cent to Rs.1.25 lakh crore in FY17. – (HBL Aug 9, 2017 p 6)

"HDFC Bank keeps MCLR unchanged" – HDFC Bank has left its marginal cost of funds based lending rates unchanged for August, data on the lender's website showed. The lending rates, effective today, are in the 7.85-8.45 per cent range. The Reserve Bank of India's norms require banks to update their lending rates based on the marginal cost of funds on a monthly basis. – (HBL Aug 8, 2017 p 10)

Merwin, Radhika – "Ahead of the pack" – The bank's steady growth in loan book that bucked industry trend is a key positive. An article. – (HBL Aug 7, 2017 p 4)

ICICI BANK

"ICICI offers instant credit card against savings a/cs" – ICICI Bank introduced an instant credit card which can be availed online and helps a customer to start shopping even before the plastic card gets delivered. 'A few lakh' pre-qualified customers will be able to instantly get the credit card number online, which can be used for the shopping. – (FE Aug 10, 2017 p 10)

INDIAN BANK

"Indian Bank sets under-5% gross NPA target by March" – Indian Bank is looking to bring down its gross non-performing assets to below 5 per cent by March from over 7 per cent in the June quarter on the back of better recoveries, upgrades and write-offs. The Chennai-based lender is also targeting to improve its net interest margin to 3 per cent from 2.79 per cent now. – (BS Aug 7, 2017 p 8)

"Muted growth in lending was a blessing in disguise: When compared with other public sector banks and if we take the average of the banking industry, our NPAs are lower, says Indian Bank MD" – An interview with Kishor Kharat, who took over as MD and CEO this financial year at Indian Bank. Bank has seen muted growth in its business over the last 10 years. This has, however, turned out to be a blessing in disguise when compared with peers in terms of bad loans. He talks about the bank's plans to improve business performance and the larger issues faced by the industry. – (H Aug 6, 2017 p 11)

KOTAK MAHINDRA BANK

"Kotak Bank's new forex service" – Kotak Mahindra Bank has launched Kotak Remit - an Aadhaar-based integrated outward forex remittance solution for both customers and non-customers. The 24x7 forex remittance service offers a completely paperless process that enables users to register online using Aadhaar and PAN numbers, and initiate remittances instantly. – (HBL Aug 4, 2017 p 6)

"Kotak Mahindra: We've been buying stressed assets continuously" – Edited excerpts from an interview with Dipak Gupta, Joint Managing Director of Kotak Mahindra Bank. He said bank should be able to maintain the 20% guidance on loan growth that was given earlier. – (Mint Aug 7, 2017 p 16)

"Kotak won't reduce rate on deposits" – Kotak Mahindra is not looking to reduce the interest rate on savings bank deposits as it has helped the private player grow the base at nearly twice the industry rate. The bank currently offers up to 6% on savings bank deposits, seen as a dependable base for low-cost funds for banks. This rate is higher than the recently revised 3.5% paid by the State Bank of India (SBI), the country's largest bank. – (TI Aug 8, 2017 p 17)
"Launches drive for Army Welfare Fund" – As part of its 811 campaign, Kotak Mahindra has launched a special drive to raise funds for the Army Welfare Fund. All accounts opened between now and September 15 will see a lower debit card fee of Rs.99 in the first year instead of Rs.299 earlier, with the money transferred to the fund. 'The entire proceeds generated from the sale of the limited edition physical debit card from August 7 to September 15 will be contributed towards the education of our soldiers' children and the rehabilitation of our wounded-in- action soldiers,' according to Kotak Mahindra president and COO Mohan N Shenoi.
– (TI Aug 8, 2017 p 17)

– INTEREST RATES

"KMB cuts savings rate for deposits between Rs.1 crore & Rs.5 crore: The lender has left the rate on deposits above Rs.1 lakh and up to Rs.1 crore unchanged at 6%" – Kotak Mahindra Bank cut the rate of interest on savings account deposits above Rs.1 crore and up to Rs.5 crore to 5.5% from 6%. However, it left the rate on deposits above Rs.1 lakh and up to Rs.1 crore unchanged at 6%. The interest rates on deposits below Rs.1 lakh and above Rs.5 crore were also left unchanged at 5% and 5.5%, respectively, the private sector bank said in a statement. – (FE Aug 4, 2017 p 10)

LAKSHMI VILAS BANK

"LVB opens commercial branch in Chennai" – Lakshmi Vilas Bank inaugurated its first commercial banking branch in Chennai, targeted at serving large corporates and small and medium enterprises. The commercial banking business will offer a comprehensive portfolio of banking products and services to small and medium enterprises engaged in manufacturing, trading and export businesses, according to a bank statement.
– (FE Aug 10, 2017 p 10)

PUNJAB & SIND BANK

"Punjab & Sind Bank Q1 net drops 52% as bad loans mount" – Punjab and Sind Bank (PSB) has registered a fall of 52.45 per cent in its net profit at Rs.25.37 crore for the first quarter to June of 2017-18 on account of surging bad loans. Net profit in April-June of 2016-17 stood at Rs.53.35 crore. Total income also fell to Rs.2,062.57 crore during the June quarter, as against Rs.2,279.11 crore in the same period of 2016-17. – (FE Aug 10, 2017 p 10)


PUNJAB NATIONAL BANK

"PNB aims to restrict fresh bad loans at Rs.17,000 cr in FY18" – Edited excerpts from an interview with Sunil Mehta, MD & CEO, Punjab National Bank. – (FE Aug 5, 2017 p 10)

"PNB introduces biometric attendance register" – Punjab National Bank (PNB) has introduced biometric attendance in the place of the existing system of signing attendance in the attendance register. The biometric attendance system has already been integrated with the in-house human resources management system, according to a circular from the bank’s HR department. – (HBL Aug 8, 2017 p 10)

"PNB puts 9 large accounts under IBC resolution" – Punjab National Bank (PNB) has put nine of its large stressed accounts for resolution under Insolvency and Bankruptcy Code 2016 (IBC). The stressed assets, including restructured and gross non-performing assets (GNPAs), declined to Rs.68,772 crore as on June 30, 2017 from Rs.75,564 crore as on June-end in 2016. – (FE Aug 9, 2017 p 12)

"PNB's exposure to Videocon, Aban Offshore slips in June quarter" – Punjab National Bank (PNB)'s exposure to Videocon Industries and Aban Offshore slipped in the June quarter, the country's second-largest state-owned lender has told analysts and investors. According to two people aware of the development, PNB said in an analyst conference call that its Rs.770-crore exposure to Videocon and Rs.307-crore exposure to Aban have turned bad. – (FE Aug 4, 2017 p 10)
"Punjab National Bank to revise charges for non-credit services" – Come September, PNB customers will have to pay charges for depositing cash above Rs.5,000 in a non-base branch even if it is located in the same city. 'It has been decided to revise the non-credit related charges (exclusive of GST) with effect from September 1, 2017 for cash deposit above Rs.5,000 at other than base branch within the same city,' PNB said in a communication to customers. – (Mint Aug 7, 2017 p 6)

RBL BANK (RATNAKAR BANK)

"RBL Bank appoints Shrinath Bolloju as COO" – RBL Bank said it has appointed Shrinath Bolloju as chief operations officer. He joins the bank from German lender Deutsche Bank's Singapore operations, where he was heading the global securities transformation, according to the statement. – (FE Aug 4, 2017 p 10)

"RBL Bank raises Rs.1,680 cr via preferential shares" – RBL Bank has raised Rs.1,680 crore by issuing shares on a preferential basis. The Capital Raising Committee of the board of directors of the bank has, allotted 32,621,354 equity shares on preferential basis at a price of Rs.515 adding Rs.16,799,997,310 in the paid up capital of the bank. – (FE Aug 10, 2017 p 10)

STATE BANK OF INDIA

"SBI to raise Rs.2,000 cr via Basel-III bonds" – State Bank of India plans to raise Rs.2,000 crore by allotting Basel-III compliant bonds to various investors. 'The committee of directors for capital raising accorded its approval today to allot 20,000 AT1 Basel-III compliant non-convertible, perpetual, subordinated bonds in the nature of debentures... aggregating Rs.2,000 crore to various investors,' SBI said in a regulatory filing. – (FE Aug 4, 2017 p 10)

– INTEREST RATES

"Unkindest cut" – SBI's move to lower the interest rates on savings accounts is a wake-up call for savers. An editorial. – (HBL Aug 7, 2017 p 14)

SYNDICATE BANK

"Syndicate Bank Q1 net down to Rs.263 crore" – Syndicate Bank has reported a net loss of Rs.263.19 crore for the June quarter of the current fiscal due to sharp increase in provisions for bad loans. In comparison, it had reported a net profit of Rs.79.13 crore in the April-June quarter of last fiscal, 2016-17. The total income during the first quarter of 2017-18 also fell to Rs.6,171.49 crore, as against Rs.6,419.12 crore in the year-ago period, the bank said in a regulatory filing. The bank's provisioning to cover for bad loans jumped by 79 per cent to Rs.1,385.66 crore for the quarter under review, as against Rs.774.41 crore a year ago. Its earning from corporate and wholesale banking fell to Rs.2,088.98 crore for the quarter, from Rs.2,562.28 crore in 2016. Revenues from retail banking operations were only marginally up at Rs.1,984.67 crore for the quarter, from Rs.1,973.66 crore a year earlier. – (FE Aug 6, 2017 p 3)

"Syndicate Bank to raise Rs.4,500-crore capital this fiscal: Looking to strengthen capital position via equity and Basel-III compliant bonds: MD" – Syndicate Bank is planning to raise Rs.4,500 crore this financial year (2017-18) to bolster its share capital base. 'The bank this fiscal is planning to raise Rs.2,500 crore under common equity (CET-1), Rs.1,000 crore under AT-1, and Rs.1,000 crore Basel-III compliant bonds,' according to Melwyn Rego, Managing Director and CEO, Syndicate Bank. Each raising will be determined by the market. Rs.500 crore of Basel-III compliant tier-II bonds was raised on May 3 to strengthen the capital position of the bank. – (HBL Aug 8, 2017 p 10)

"Syndicate Bank: Reviewed financial results for the quarter ended 30th June 2017" – An advertisement feature. – (BS Aug 7, 2017 p 18)

UNION BANK OF INDIA

"Union Bank set to raise Rs.2,000 crore" – Union Bank of India said it will raise Rs.2,000 crore through various instruments, including rights issue and private placement. The committee of directors approved the capital raising issue. – (FE Aug 10, 2017 p 10)
UNITED BANK OF INDIA

"United Bank to sell Rs.1,155-cr NPAs" – United Bank of India has invited initial bids from asset reconstruction companies, banks, financial institutions, and non-banking finance companies for the proposed sale of nonperforming loans of 66 accounts worth Rs.1,155 crore, the lender said in a notification. The bidding entities have to complete the due diligence process on these loans by August 12, and the last date of submission of bids is August 16. The State-owned bank had proposed to sell stressed assets of 36 accounts worth Rs.805 crore in June. – (HBL Aug 5, 2017 p 6)

VIJAYABANK

"Vijaya Bank revises MCLR" – Vijaya Bank has revised marginal cost of funds based lending rate (MCLR) with effect from August 7. As per the revision, following are the MCLRs tenor-wise: overnight 8.10 per cent (existing 8.35 per cent); one month, 8.10 per cent (8.40 per cent); three months, 8.20 per cent (8.55 per cent); six months, 8.60 per cent (8.60 per cent); one year, 8.65 per cent (8.65 cent); two years, 8.65 per cent (8.65 cent); and three years, 8.75 per cent (8.75 cent). – (HBL Aug 8, 2017 p 10)

EURO-ZONE

Van Steenis, Huw – "Eurozone lenders must do better even though the tide is favourable" – An article. – (FT Aug 8, 2017 p 18)

USA

– FEDERAL RESERVE

Emons, Ben – "Fed policy may amount to more easing: Shrinking the balance sheet won’t give what Fed policy-makers had hoped for" – An article. – (HBL Aug 7, 2017 p 11)

ATMs

"ATM expansion slows due to note ban: Replacement of systems more than 7 years old, Centre's digital push lead to cutting down on new installations" – A combination of factors, including cash crunch following demonetisation of high value notes announced in November last, have led to commercial banks cutting down on the number of automated teller machines (ATMs) particularly those not located in branches (off-site ATMs), latest RBI data showed. According to Reserve Bank of India (RBI), there were 98,092 off-site ATMs in June 2017 against 99,989 in the same month last year. However, on-site (located within a branch) ATMs rose to 110,385 from 101,346 in the same period. A report. – (H Aug 7, 2017 p 13)

BANK CAPITAL

– PUBLIC SECTOR BANKS

"12 public sector banks planning to raise funds from markets" – As many as 12 public sector banks including PNB, Bank of India and Indian Bank have lined up plans for raising funds from markets to shore up their capital base to meet global risk norm, Basel III. About 6-7 lenders including Andhra Bank expect to close their capital raising plan by the end of the current fiscal. The remaining would raise funds through follow-on-public offer (FPO) or qualified institutional placement (QIP) from the market during course of the next fiscal. Lenders including Allahabad Bank, Andhra Bank, Bank of India, Central Bank of India, Dena Bank, IDBI Bank, Indian Bank and Punjab National Bank (PNB) have already got permission from the government to raise capital from the market through QIP or FPO or preferential allotment. – (Mint Aug 7, 2017 p 6)

BANK CONSOLIDATION

Srinivasan, Karthik – "Consolidation may not be a Panacea for banks' woes" – An article. – (ET Aug 9, 2017 p 18)
PUBLIC SECTOR BANKS

"Govt to initiate consolidation of PSBs after Q1 numbers" – The finance ministry is expected to initiate the process of consolidation of public sector banks (PSBs) once the first quarter results of the current fiscal year (FY18) have been announced. There are various aspects, including financial performance, which have to be looked at before a merger decision is taken, according to the ministry official. There are factors like regional balance, geographical reach, financial burden and smooth human resource transition that have to be looked into while taking a merger decision, the official said, adding there should not be a merger of a very weak bank with a strong one as it could pull the latter down. It is going to be a complex exercise. A report. – (BS Aug 10, 2017 p 4)

"No proposal for PSBs' consolidation, says govt" – The government said there is no proposal for consolidation of public sector banks (PSBs) at present. There is no such proposal under the consideration of the government for consolidation of PSBs at present, Minister of State for Finance Santosh Kumar Gangwar said in a written reply to the Lok Sabha. The government had in February approved the merger of five associate banks with SBI. – (BS Aug 5, 2017 p 3)

BANK FRAUDS

"Card frauds in last three years at Rs.203 cr" – Frauds related to credit cards and ATM/debit cards reported by banks during last three years totalled at over Rs.203 crore, according to RBI data. A report. – (IE Aug 9, 2017 p 15)

BANK LENDING

– REAL ESTATE SECTOR

"Banks will shut out builders who don't have RERA listing" – Builders who have been thinking of ways to beat the new Real Estate Regulation Act are fast running out of time as banks, in consultation with the Reserve Bank of India, have decided not to extend loans to those projects which have not been registered under RERA. – (ET Aug 8, 2017 p 9)

BANK RETIREES

"Apex court reserves order on 100% DA neutralisation for pre-2002 bank retirees: Seeks clarifications as a similar plea was dismissed in an earlier case" – The Supreme Court on August 1 reserved judgment in a petition filed by various organisations seeking 100 per cent neutralisation of DA for pre-November 2002 bank retirees. Senior counsel who represented the bank management (Indian Banks' Association) vehemently argued that there was no case of discrimination, as is being alleged, between pre- or post-2002 retirees. The employer has a right to restrict the applicability of new benefits/improvements to future retirees and for that purpose the cut-off date of November 1, 2002, was in order. The counsel also argued that making the 100 per cent DA neutralisation applicable to all past retirees would involve huge financial burden on banks. – (HBL Aug 5, 2017 p 6)

"FinMin sets up panel to address issues of bank pensioners" – The Department of Financial Services, Ministry of Finance, has set up a committee to resolve the pending issues of bank pensioners and retirees. – (HBL Aug 9, 2017 p 6)

BANKING REGULATION (AMENDMENT) BILL 2017

"Debtors can't be allowed to paralyse banking system, says Jaitley: Lok Sabha passes Banking Regulations Bill" – Finance Minister Arun Jaitley said public sector banks needed the Banking Regulations Ordinance in order to be able to take decisions without fear of being subjected to investigation later. Replying to a debate on amendments to the Banking Regulations Act, Jaitley, who also holds the defence and corporate affairs portfolios, said the decision to take defaulters through the bankruptcy process was not a political one, and that such a move was necessary to start clearing the Rs.7 lakh crore toxic assets in the banking system. The amendments were passed by Lok Sabha and the Bill will now move to the Upper House of Parliament. – (BS Aug 4, 2017 p 4)
CENTRAL BANKS
"Central banks' abiding pessimism may yet become self-fulfilling" – An article. – (FT Aug 5-6, 2017 p 11)

COOPERATIVE BANKS
– NON-PERFORMING ASSETS
"NABARD's RTI response: Co-op banks' NPAs inflated" – Development financing institution Nabard has found co-operative banks have a much smaller quantum of bad loans than reported by them. District central co-operative banks (DCCBs) reported total non-performing assets for 2015-16 that were Rs.6,277 crore more than Nabard's findings in subsequent audits. While DCCBs in 20 states reported gross NPAs of Rs.22,695 crore, Nabard's checks revealed these were Rs.16,417 crore, the institution disclosed in an RTI response. A report. – (FE Aug 7, 2017 p 1)

CURRENCY NOTES
– DEMONETISATION
"Demonetisation has hit the economy: Kaushik Basu" – Demonetisation was a very big mistake and it has had a big negative fallout on the economy, according to Kaushik Basu, former Chief Economic Advisor (CEA) to the Government of India. There was a flaw in the analysis and the costs involved in the short term for even a growing economy are significant, he said at the Lalit Doshi Memorial Lecture. A report. – (HBL Aug 5, 2017 p 6)

DIGITAL PAYMENTS
"Are digital payments gaining traction?: Non-discretionary categories such as fuel and groceries are seeing dramatic growth" – An interview with T R Ramachandran, Group Country Manager - India and South Asia, Visa Inc. – (HBL Aug 7, 2017 p 6)

DIGITAL TRANSACTIONS
– BHIM APP
"Govt may give Bhim users cashback bonanza on I-Day" – This Independence Day, the government will offer higher cashbacks if consumers opt for digital transactions using the Bhim app. Operated by the National Payments Corporation of India (NPCI), the Bhim app works on the Unified Payments Interface (UPI). The Prime Minister had unveiled Bhim in December, after demonetisation, to boost digital payments. We are also in the final stages of launching version 1.4 of Bhim, which will make transactions smoother on the app. Among other updates, Bharat quick response (QR) code will be integrated into the app which should be another booster for increasing transactions on Bhim. A report. – (TI Aug 7, 2017 p 15)

FINANCIAL TECHNOLOGY
Shah, Manish A – "There's more to fintech than just tech" – An article. – (Mint Aug 10, 2017 p 14)

INDUSTRIAL RELATIONS
"Bank strike call unwarranted: IBA: Says unions demands beyond its brief, require govt decision" – The Indian Banks' Association (IBA), which represents bank the managements, has termed the August 22 all-India strike call given by unions as 'totally unwarranted'. S K Kakkar, Senior Advisor to IBA on Human Resources and Industrial Relations, made this observation in a communication to Sanjeev K Bandlish, convenor of the United Forum of Bank Unions (UFBU). A report. – (HBL Aug 10, 2017 p 6)

"Bank unions serve notice for nationwide strike on Aug 22" – The United Forum of Bank Unions (UFBU) has served a notice for a nation-wide bank strike on August 22. The UFBU has listed a number of demands in support of its strike call, on which it has demanded action from the Indian Banks' Association
Among its demands are a halt to the moves aimed at privatisation of public sector banks and mergers and consolidation while not writing off corporate non-performing assets (NPAs). Wilful default of loans has to be declared a criminal offence but accountability of the top management/executives needs to be ensured. – (HBL Aug 7, 2017 p 13)

"IBA panel asks workmen unions to keep demands at a 'reasonable level'" – The sub-committee set up by the Indian Banks' Association (IBA) to discuss the service conditions of a non-financial nature for workmen employees has completed its first round of discussions. The demands of the unions include: introduction of five-day banking; better management of medical insurance scheme; and allocation to a staff welfare scheme based on operating profits of banks. – (HBL Aug 8, 2017 p 10)

INSOLVENCY AND BANKRUPTCY CODE

"Bankruptcy code can help capital-starved ARCs generate better returns: Recoveries by ARCs have remained at a low 20%" – Effective implementation of the Insolvency and Bankruptcy Code (IBC) can provide a leg-up to asset reconstruction companies (ARCs), that essentially step into the banks/lenders' shoes to recover bad loans. According to a report published by Crisil, released at the Assocham's national conference on IBC recently, recovery rate for ARCs has been low at 20 per cent, with resolution taking more than five years. A quick resolution under IBC can help ARCs churn their capital better and improve returns. – (HBL Aug 8, 2017 p 10)

"The IB law applies to all stakeholders" – Edited excerpts from an interview with Nikhil Shah, MD, India, Alvarez & Marsal. – (ET Aug 9, 2017 p 18)

"NCLT admits IDBI's insolvency plea against Jaypee Infratech: Allahabad bench of the tribunal also approves the appointment of an interim resolution professional" – The Allahabad bench of the National Company Law Tribunal (NCLT) admitted insolvency proceedings against Jaypee Infratech Ltd, one of the 12 companies referred to the tribunal following the Reserve Bank of India's (RBI) 13 June directive to banks, according to two people aware of the matter. A report. – (Mint Aug 10, 2017 p 6)

Batra, Sumant – "Implementing IBC: A collective stakeholder responsibility" – The success of the Insolvency and Bankruptcy Code can make the country an attractive choice of jurisdiction for resolving insolvency. For insolvency law to work, it is important that players in the judicial arena appreciate the fundamental principles of insolvency. The approach of the NCLT will also have a far-reaching bearing on the outcome of IBC. An article. – (FE Aug 9, 2017 p 11)

Sethi, Aman – "Banking on new law for answers" – If the bankruptcy moved by India's banks are accepted, companies with investments in factories, furnaces, trucks, textile looms, heavy equipment, and land will be placed under the supervision of their creditors, and given six months to strike a deal on their debt, failing which these firms will be liquidated. An article. – (HT Aug 10, 2017 p 11)

Shaikh, Gausia and Zaveri, Bhargavi – "An unsettling precedent under IBC" – An article. – (BS Aug 9, 2017 p 9)

LOAN PRICING

Mathew, George – "Loan-pricing systems: For better transmission, RBI in search of yet another benchmark" – After prime lending rate, benchmark prime lending rate, base rate and marginal cost of funds-based lending rate, the central bank is planning to come up with another system to price loans. An article. – (IE Aug 8, 2017 p 14)

LOCKERS

"Ensure safety of customers' lockers: RBI tells banks" – The Reserve Bank has asked banks to ensure customers' lockers remain safe and there is 'no negligence' that could render banks liable to claims by locker holders, Parliament was informed. – (FE Aug 9, 2017 p 12)
MONETARY POLICY

"RBI likely to cut rates again by 2017-end: says CLSA: Earnings rebound should finally happen in Q4 of CY17" – There is more room for the Reserve Bank of India (RBI) to cut rates even after the recent 25 basis point (bps) cut earlier this week, and it is likely that the central bank will do so one more time before the end of calendar year 2017 (CY17) given the high real interest rates in India, writes Christopher Wood, managing director and equity strategist at CLSA in his weekly note, GREED & fear. – (BS Aug 5, 2017 p 3)

"RBI's MPC statement: An omission on China: With India-China border tensions rising, the RBI could have spelt out its risk perception" – The Reserve Bank of India's monetary policy statement gives a bird's eye view of global developments and the state of top economies in the world every two months and by extension the developments that have a bearing on the domestic economy. The statement normally contains a reference to the heightened risks that are visible across economies - both advanced and emerging - and although couched in generalisms, does flag those issues that can have a potential negative effect on our trade and commerce. This time, there was an expectation or perhaps curiosity about how the RBI would deal, in its international tour de force, on the border tension with China that has been dominating the headlines for the past month. – (HBL Aug 4, 2017 p 6)

"Repo rate cut will boost corporate lending, says Syndicate Bank MD" – Corporate credit is expected to pick up, which will lead to asset creation and employment generation, according to Melwyn Rego, Managing Director and CEO, Syndicate Bank, on the recent RBI monetary policy. The government's 'Housing for All by 2022' will undoubtedly get a fillip with interest rates going down. – (HBL Aug 5, 2017 p 6)

Goyal, Ashima – "For a context-based monetary policy" – Amidst flagging investment and exports, consumption can drive demand. Policymakers need not fear positive demand shocks. An article. – (HBL Aug 7, 2017 p 14)

Jagannathan, R – "RBI's lost the plot on monetary policy" – In India, it's better to risk inflation and opt for growth than risk deflation, which destroy jobs. An article. – (HT Aug 9, 2017 p 10)

Pattnaik, R K and Rattanani, Jagdish – "Misplaced cut: In cutting rates, RBI may have bent to market sentiment and government pressure" – The picture is of continued weak private investment not because loanable funds are not available but because corporate balance sheets are not in a position to fire new capex plans. Banks are themselves straddled with NPAs and have no appetite for corporate lending, particularly at a time when the road ahead with a new insolvency law and the proposed fast-track resolution of NPAs remains unclear. An article. – (IE Aug 7, 2017 p 10)

Rajaraman, Indira – "The underpinnings of RBI monetary policy" – The debate cannot stop with the RBI repo rate and rate transmission issues. It has to go beyond, into whether credit is reaching the last mile. No matter what happens to repo and lending rates, the credit needs of small-scale and medium-size enterprises (SSMEs) are being systematically neglected. An article. – (Mint Aug 4, 2017 p 17)

Rajwade, A V – "Monetary policy dilemmas: One of them is how reliable the model is that the RBI uses to forecast inflation" – An article. – (BS Aug 10, 2017 p 8)

Sabnavis, Madan – "Understanding the thought-process" – Monetary policy outcomes will continue to be unpredictable as the words in the statement get interpreted furiously by all market participants. An article. – (FE Aug 5, 2017 p 8)

MONETARY POLICY TRANSMISSION

– LENDING RATES

Shukla, Saloni and Mehta, Sangita – "Bank lending rates: Is RBI chasing a mirage?" – The regulator is right in whipping the banks' cartel to pass on benefits of lower fund cost to customers. But banks have problems of differential costs, and NPAs weighing them down where lending formulas may be ineffective. Meddling beyond a point may distort markets. An article. – (ET Aug 9, 2017 p 18)
NON-PERFORMING ASSETS

– PUBLIC SECTOR BANKS

"Non-performing assets: Govt-run banks write off record Rs.81,683-crore bad loans in FY17: An increase of about 41% as compared with the previous year's Rs.57,586 crore: Finance ministry data" – Despite a series of steps to contain non-performing assets (NPAs), public sector banks (PSBs) wrote off a record Rs.81,683 crore worth of bad loans in the financial year ended March 2017, a jump of more than 41 per cent over the previous year's write-off amount of Rs.57,586 crore, as per the finance ministry data. Even as the amount of loans written off has been rising steadily in the past five years, their combined profitability deteriorated sharply during the same period, as NPAs spiked and the Reserve Bank of India (RBI)-mandated asset quality review forced them to make higher disclosures of non-performing loans. A report. – (IE Aug 7, 2017 p 13)

NPA RESOLUTION

"Bankers meet to take stock of progress in NPA resolution" – Top bankers met to take stock of the progress made on resolution of non-performing assets (NPAS) and evaluate other large stressed accounts which require intervention, according to two people in the know. Representatives of State Bank of India, Bank of Baroda, and Union Bank of India, among other public sector banks, and their counterparts from the private sector, were present at the meeting held at the Indian Banks' Association headquarters in Mumbai. – (Mint Aug 8, 2017 p 5)

"IBA finalises list of 17 companies to manage and turn around NPAs" – The Indian Banks' Association (IBA) has finalised 17 firms that banks could hire to manage and turn around non-performing assets, citing banks' reliance on a handful of such companies at present. However, the IBA added that the list was not exhaustive and banks are free to select other consultants as well. The list includes Alvarez & Marshal, Feedback Infra, BDO India, Deloitte and KPMG India. A report. – (FE Aug 10, 2017 p 10)

Mahapatra, Rajesh – "Deal with bad loans to get economy ticking" – Although the central bank is empowered to initiate insolvency resolution. Nothing stops a defaulter from going to court to challenge the RBI. An article. – (HT Aug 6, 2017 p 10)

NPCI

"NPCI hits 1 billion transactions in July" – National Payments Corporation of India (NPCI) said it achieved 1 billion transaction volume in July on the various payments systems it operates. The transactions pertain to all types of payments handled by NPCI - from cheque and ATM clearing to IMPS, UPI, BHIM, RuPay, POS, e-commerce and also Aadhaar-based payments. Currently, the NPCI operates 12 payment systems. 'It is a great achievement to join the leagues of reputed payment institutions which process billions of transactions every month globally,' according to NPCI managing director and CEO A P Hota. – (FE Aug 5, 2017 p 10)

ONLINE BANKING

"More Indians going online for banking: survey" – More Indians are now using a mobile banking app or going online rather than just talking to a banking adviser on phone to address complex issues, according to a new survey. – (HBL Aug 10, 25017 p 6)

PAYMENTS BANKS

– INDIA POST

"India Post's bank to miss Sept date for opening branches: System integrator search delays launch" – India Post Payments Bank (IPPB) is sure to miss the September deadline that it had set for itself to open 650 branches across the country. India Post, the government-operated postal system in the country, failed to get a system integrator (SI) on board on time, upsetting its payments bank schedule. – (BS Aug 9, 2017 pp 1, 10)
PRIORITY SECTOR LENDING

"Banks lap up PSLCs for priority Lending target: New instrument, a hit with pvt & foreign banks, has notched up Rs.40k cr of trades in Q1" – The new priority sector lending certificates (PSLCs) - which are being traded through a Reserve Bank of India-promoted platform - appear to have caught the fancy of treasury heads of banks, especially in Citibank India, HDFC Bank and Yes Bank, with the PSLC market estimated to have seen Rs.40,000 crore worth of trades in the first quarter. A report. – (ET Aug 7, 2017 p 15)

PRIVATE SECTOR BANKS

– NON-PERFORMING ASSETS

Mukherjee, Andy – "Why banks' price-to-truth ratio is soaring" – Remember the price-to-truth ratio? I coined the term three months ago for a certain kind of overvaluation of India's privately owned lenders, after three of these banks, supposedly better governed than their state rivals, had to admit that their nonperforming loans were between 20% and 557% more than officially reported. An article. – (Mint Aug 8, 2017 p 1)

PROJECT FINANCE

"Why banks keep lending big bucks" – India's debt-laden companies struggled to repay their loans, until they realized that banks were happy to offer fresh credit in place of their old dues. A report. – (HT Aug 9, 2017 p 11)

PROVISIONING

– NON-PERFORMING ASSETS

"Banks may need 20% incremental provisioning" – Banks may need to do an incremental provisioning of 20 per cent for 50 large stressed accounts to absorb any losses, says a report. These 50 large accounts are from the sectors such as construction, power and metals, among others and constitute about half of the gross non-performing assets of the banking sector. 'Banks may require an incremental provisioning of 20 per cent against cumulative debt of 50 large stressed assets worth over Rs.4.3 lakh crore,' says a joint report by Assocham and rating agency Crisil. – (FE Aug 4, 2017 p 10)

PUBLIC CREDIT REGISTRY

"Public credit registry will help boost lending: Karnataka Bank MD" – The Reserve Bank of India's move to develop a public credit registry for India and make credit information more comprehensive will help strengthen the credit delivery system in the country, according to Mahabaleshwara M S, Managing Director and CEO, Karnataka Bank. – (HBL Aug 4, 2017 p 6)

"Public credit registry: Credit information database to lower interest costs for honest borrowers" – To certify collateral details: Currently, there are four credit bureaus in India - Credit Information Bureau (India) Ltd (CIBIL), Equifax, Experian, and CRIF Highmark. These bureaus provide credit scores and allied reports and services. A Public Credit Registry will complement private credit bureaus by certifying details of collateral. The RBI will soon set up a high-level task force that will suggest a road map for PCR for India. A report. – (IE Aug 8, 2017 p 14)

RECOVERY OF NPAs

"Lenders may get a chance to recover money from Gammon's failed container terminal: Five banks had an exposure of about Rs.706 cr to the project as of March 2016" – The planned restructuring of a failed container terminal, built by Gammon Infrastructure Projects Ltd (GIPL) at the Mumbai Port, through a re-bid, will give a chance to the five state-owned lenders, including State Bank of India, to recover a big portion of the money lent to the project. The terminal, originally designed to load containers, will be re-structured to allow handling of automobiles and steel also as the government looks to revive stalled projects by changing the cargo profile and help lenders recover money that has turned sticky due to idling facilities and low cargo volumes. A report. – (HBL Aug 8, 2017 p 5)
RETAIL BANKING

FINTECH FIRMS

"Retail banking may lose 55% of business to fintech: report" – The retail banking sector could lose up to 55% of its business to fintech firms if it does not up the ante in terms of investment in digital transformation, according to a new study titled 'Enterprise Digital Transformation: Evaluating Indian Enterprises', brought out jointly by research firm Frost & Sullivan and software lobby body, Nasscom. The report, released this month, has compared Indian companies across sectors with their global peers in terms of digital maturity, noting that much more needs to be done and challenges such as non-uniform connectivity and scarcity of skilled personnel need to be tackled. A report. – (Mint Aug 4, 2017 p 12)

RETAIL LENDING

Iyer, Aparna – "In chasing retail loans, are banks throwing caution to the wind?" – The share of unsecured retail loans, including credit cards, to Indian banks' total retail book is at 28%, its highest level since the Reserve Bank of India (RBI) began releasing disaggregated credit data in 2007. This should send off warning signals to banks and it has begun to do so, at least to RBI. The central bank's deputy governor S S Mundra recently noted that banks should not be pursuing the retail borrower at all costs. An article. – (Mint Aug 9, 2017 p 4)

SMALL FINANCE BANKS

"Small finance banks moving to individual lending" – With a majority of small finance banks already operational, a challenging start has already forced a number of them to tweak lending strategies. Due to demonetisation, coupled with rumours of debt waiver, the delinquency rates for micro-lending has shot up as high as 10 per cent, against about one to two per cent prior to demonetisation. Hence, to bypass the risk associated with group lending, several small finance banks are looking to quickly migrate to secure individual lending, mostly to non-agriculture sectors. Change in strategy: * Fincare is looking to reduce group lending to 50% in three four years; * Suryoday looking to reduce group lending portfolio to 75% by this year; * ESAF looking to reduce group lending portfolio to 75% by the end of this year; * Demonitisation has led to rise in delinquency rate to nearly 10% in micro lending; * SFBs are rolling out products like vehicle, home and shopkeepers loans in retail category. A report. – (BS Aug 5, 2017 p 3)

CAPITAL SMALL FINANCE BANK


STATE BANK OF INDIA

INTEREST RATES

"FM defends SBI decision to cut savings account interest rate" – Finance Minister Arun Jaitley defended the State Bank of India's decision to cut interest rate on saving accounts of less than Rs.1 crore, saying the move was in sync with reduction in lending rate. – (FE Aug 4, 2017 p 2)

UNIFIED PAYMENTS INTERFACE

"UPI transactions cross 11 m in July" – The Unified Payments Interface (UPI), together with the USSD (Unstructured Supplementary Service Data) channel, clocked 11.63 million transactions worth Rs.3,411.35 crore in July, the National Payments Corporation of India (NPCI) said in a statement. The two payment channels, which allow instant money transfer from one bank account to another, had clocked 10.35 million transactions worth Rs.3,098.36 crore in June and 9.36 million transactions worth Rs.2,797 crore in May. – (FE Aug 4, 2017 p 10)
WAGE NEGOTIATION

"Wage talks: Banks may not revise stand on fewer officer scales: Unions raise a host of other non-financial demands at the sub-committee meeting on wages" – Bank managements may not budge from their stand to revise a mandate given to Indian Banks' Association (IBA) for limiting wage negotiations applicable for officers from Scale I to III. The unions had requested for a revised mandate to enable them to negotiate on behalf of all scales (I to VII), a convention, they say, is based on the Pillai Committee recommendations. A report. – (HBL Aug 5, 2017 p 6)

RBI CIRCULARS


AGRICULTURE & RURAL DEVELOPMENT

AGRICULTURE

"Agri shine" – This year's south west monsoon, which is half way through, is above normal. Spatial distribution is strong and sowing of kharif crop is higher than last year, indicating robust outlook for agriculture. A graphical report. – (FE Aug 5, 2017 p 9)

FARM LOAN WAIVER SCHEME

"How much will agricultural loan waivers impact the economy?" – Debt waiver packages will strain finances of the states, and harm both farmers and banks in the long run. A report. – (Mint Aug 9, 2017 p 17)

INDUSTRY

DERIVATIVES MARKET

"Derivatives may get longer trading hours: Move to enhance international competitiveness of domestic market" – In a bid to bring back some of the lost zing, the markets regulator, the Securities and Exchange Board of India (Sebi), is looking to extend the trading hours for the derivatives market. Sources said Sebi was considering if trading in index futures could be kept open even after the cash market closed. The move will provide investors the tool to price in news flow that comes after market hours. A report. – (BS Aug 8, 2017 pp 1, 10)

EXCHANGE TRADED FUND

"Centre starts ETF for PSUs, lenders: 'Bharat 22' is a diversified fund comprising 22 State-owned enterprises, public sector banks: Jaitley" – Finance Minister Arun Jaitley announced the introduction of Bharat 22, a new exchange traded fund (ETF) comprising 22 stocks including Central Public Sector Enterprises (CPSEs), public sector banks (PSBs), and Specified Undertakings of the Unit Trust of India (SUUTI). The earlier ETF, the CPSE ETF, had many energy companies. Bharat 22 is a well-diversified ETF spanning six sectors - basic materials, energy, finance, FMCG, industrials, and utilities. The inclusion of Indian Bank in the ETF will give a boost to our valuation, asserted its MD and CEO Kishor Kharat. One good thing is that Navratna companies are put into ETF. If the Indian Bank is part of it, our status will go up. – (H Aug 5, 2017 p 13)
MUTUAL FUNDS

"MFs' AUM touches record high of Rs.20 lakh cr" – The mutual fund (MF) industry's asset base has touched a record high of nearly Rs.20 lakh crore at the July-end, mainly driven by fresh inflows in equity and debt segments. The assets under management (AUM) of mutual fund industry rose from Rs.18.96 lakh crore at the end of June from Rs.19.97 lakh crore by the July-end, as per the data of Association of Mutual Funds in India (Amfi). – (FE Aug 5, 2017 p 11)

SMALL SCALE INDUSTRY

MSMEs

Vasudevan, R – "MSEs are adapting to a brave new world" – The unorganised ones are feeling the heat of GST, but long-term gains outweigh transitory pain. An article. – (BS Aug 4, 2017 p 8)

SIDBI

"Mohammad Mustafa appointed CMD of SIDBI" – Senior bureaucrat Mohammad Mustafa was appointed as Chairman and Managing Director in Small Industries Development Bank of India (SIDBI). Mustafa, a 1995 batch IAS officer of Uttar Pradesh cadre, is at present Joint Secretary in Department of Financial Services. – (FE Aug 4, 2017 p 10)

INTERNATIONAL ECONOMICS

FINANCIAL CRISIS

"Banks rack up $150 bn in US fines since start of the financial crisis" – Financial institutions have paid more than $150bn in fines in the US relating to the credit crisis, passing a significant milestone a decade after it became clear American subprime woes had become a global problem. Ten years ago this week, France's BNP Paribas barred investors from accessing money in funds with subprime mortgage exposure, citing a 'complete evaporation of liquidity'. The date - August 9 2007 - is pegged by many as the moment the financial crisis began. A report. – (FT Aug 7, 2017 p 1)

Plender, John – "Lessons from the credit crunch" – Ten years on from the credit crunch that marked the start of the greatest financial crisis in history, two important questions arise. After extensive remedial work, is the global financial system now fit for purpose? And are the advanced economies vulnerable to a further crisis of comparable magnitude? An article. – (FT Aug 7, 2017 p 8)

FUND MANAGEMENT

"Global fund management" – A weekly report. – (FT Aug 7, 2017 Supl. pp 1-16)

LABOUR & PERSONNEL MANAGEMENT

MINIMUM WAGES

"Centre mulls changing minimum wages formula: Panel decides to form committee to look into calculation" – The Central government is mulling a revision in the formula to calculate minimum wages that may increase income levels of workers across the country. The Central Advisory Committee on Minimum Wages, headed by Labour and Employment Minister Bandaru Dattatreya, met here and decided to constitute a committee to deliberate the proposed changes in the calculation of minimum wages for workers. A report. – (H Aug 4, 2017 p 11)

WORKPLACE

"Employee first: A look at India's great mid-size workplaces" – Global management consulting and research firm Great Place to Work Institute and Mint identify the 50 best workplaces in India with employees numbering
between 100 and 500. The study looks at workplaces from the employees' perspective and assigns a two-third weightage to the voice of the employees. This is measured through anonymous surveys conducted across organisations. The remaining one-third weightage is assigned to the strength of people practices implemented across the organisations. A graphical report. – (HT Aug 7, 2017 p 12)

"Trust, consistency key to building great workplaces: study" – Mid-sized Indian workplaces are setting an example for their larger peers in keeping employees happy and creating an environment that allows them to perform well. These workplaces were identified in an annual study by the Great Place to Work Institute, a global management consulting and research firm. A total of 34,501 people from 219 mid-sized organizations - those employing 100 to 500 people - participated in the exercise. A report. – (Mint Aug 5, 2017 p 25)

"What sets the best workplaces apart from the rest?" – Critical differentiators of success at the top 50 midsize workplaces. A graphical report. – (HT Aug 7, 2017 p 12)

**MANAGEMENT**

**INDIAN ACCOUNTING STANDARDS (IND-AS)**


*Venkateshwaran, Sai* – "Reflections on Indian industry's transition to IndAS" – An article. – (Mint Aug 7, 2017 p 8)

**MANAGEMENT EDUCATION**

"After IIMs, govt may give more freedom to private B-schools too" – After deciding to give the elite Indian Institutes of Management (IIMs) greater administrative, academic and financial autonomy, the central government may give more operational freedom to private business schools as well. The All India Council of Technical Education (AICTE), the apex technical education regulator, has now formed a committee to identify possible areas in which such institutions may be given more autonomy, three officials said on condition of anonymity. A report. – (Mint Aug 4, 2017 p 18)

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Edited by Library Team and Published Online by
National Institute of Bank Management, NIBM Post Office, Kondhwe Khurd, Pune 411 048 INDIA

(Registered with the Registrar of Newspaper for India under Registration No. G 165.238/1984 of 20-6-84)