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In this issue

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General Secretary
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YES Bank

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From The Desk Of
Editor-in-Chief

Export from India is growing month on month basis due to the efforts of the Government of India which has improved the foreign exchange balance in the country.

Foreign exchange reserve with RBI reached to $625 Billion which is a satisfactory position for Indian Economy.

Government of India has enhanced the deposit insurance of banks from 1 lac to 5 lac which is a welcome decision in the interest of depositors mainly the poor and needy depositors.

The Reserve Bank of India (RBI) introduced the financial inclusion index (FI-Index) to capture the extent of financial inclusion in the country. The FI-Index has been conceptualized as a comprehensive index incorporating details of banking, investments, insurance, postal, and the pension sector in consultation with government and respective sectoral regulators

The Reserve Bank came out with revised guidelines for the hiring of lockers under which the liability of banks will be limited to 100 times its annual rent in case of fire, theft, building collapse or frauds by bank employees.

As per the revised guidelines, which shall come into effect from January 1, 2022, banks will be required to incorporate a clause in the locker agreement prohibiting the hirer from keeping anything illegal or hazardous in lockers.

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Banking News

UCO Bank net profit jumps up four-fold

State-owned UCO Bank posted over four-fold jump in its net profit to Rs 101.81 crore for the first quarter ended June 30, as bad loans fell significantly.

The bank had reported a net profit of Rs 21.46 crore in the same quarter of the previous fiscal.

Sequentially, the net profit rose 27 per cent from Rs 80.03 crore in the March 2021 quarter.

The total income during Q1 FY22 increased to Rs 4,539.08 crore, against Rs 4,436.57 crore in Q1 FY21, UCO Bank said in a regulatory filing.

However, it was down from Rs 4,936.75 crore in the preceding March quarter.

Interest income during the quarter fell 2.5 per cent to Rs 3,569.57 crore, while income from other sources rose 25.3 per cent to Rs 969.51 crore.

Canara Bank's reports increase in profit

Canara Bank reported nearly three-fold jump in standalone net profit at Rs 1,177.47 crore for the quarter ended June 30, helped by reduction in bad loans. The public sector lender had logged a net profit of Rs 406.24 crore in the same quarter of the previous financial year. During the June quarter last year, Canara Bank had amalgamated Syndicate Bank into itself with effect from April 1, 2020.

Total income in the April-June increased marginally to Rs 21,210.06 crore, from Rs 20,685.91 crore in the year-ago period, Canara Bank said in a regulatory filing. The bank's gross non-performing assets (NPAs) declined slightly at 8.50 per cent of the gross advances as on June 30, 2021 as against 8.84 per cent at June-end last year. Net NPA ratio too fell to 3.46 per cent, from 3.95 per cent in the same quarter a year ago.

As a result, provisions and contingencies for the first quarter came down to Rs 3,728.52 crore as compared to Rs 3,826.34 crore in the year-ago period. Of this, provisions for NPAs significantly reduced to Rs 2,334.88 crore, as against Rs 3,549.99 crore a year ago.

The Provision Coverage Ratio (PCR) improved to 81.18 per cent as at June 2021, from 78.95 per cent as at June 2020, the bank said in a statement. Capital adequacy ratio of the bank stood at 13.36 per cent as at June 2021. Out of which Tier-I is 10.34 per cent and Tier-II is 3.02 per cent, it said. The bank said it plans to raise Rs 9,000 crore through a mix of debt and equity to enhance capital base to fund its business growth during the current fiscal.

14% increase in net profit of CSB Bank

Fairfax-backed CSB Bank has reported a 14 per cent increase in net profit to Rs 61 crore during the first quarter of the 2021-22 financial year, as compared to Rs 53.56 crore during the year-ago period.

Sequentially, too, the Kerala-based bank reported improved numbers, posting a rise of 42 per cent. It had reported a profit of Rs 42.89 crore during the March quarter. The total income of the bank during the period was also up by 15 per cent to Rs 571.53 crore, as against Rs 496.88 crore during the first quarter of the 2020-21 financial year.

The gross non-performing assets (NPAs) increased to 4.88 per cent of the gross advances as of June 30, 2021 as against 3.51 per cent by end of June last year.

NPAs of banks decline

Non-performing assets (NPAs) or bad

loans of banks have declined by Rs 61,180 crore to Rs 8.34 lakh crore at the end of March 31, 2021, as result of various steps taken by the government, Minister of State for Finance Bhagwat K Karad said.

Scheduled commercial banks (SCBs) were carrying NPAs worth Rs 8.96 lakh crore on their balance sheet at the end of March 2020.

Primarily as a result of transparent recognition of stressed assets as NPAs, gross NPAs of SCBs, as per RBI data on global operations, rose from Rs 3,23,464 crore as on 31.3.2015, to Rs 10,36,187 crore on 31.3.2018.

IDBI recovers Rs.733 crore dues

IDBI Bank said that it has recovered Rs 733 crore of dues pertaining to Kingfisher Airlines, which helped the lender report a 318% jump in net profit for the quarter ended June 2021.

Announcing the first-quarter results, Rakesh Sharma, MD & CEO, said that the bank recovered Rs 278 crore by way of principal and Rs 455 crore by way of interest income aggregating to Rs 733 crore in June 2021.

Earlier reported that the Debt Recovery Tribunal on behalf of SBI-led consortium of banks sold shares worth Rs 792 belonging to Vijay Mallya that were confiscated by the Enforcement Directorate. This was after the consortium of lenders to Kingfisher Airlines recovered Rs 5,824 crore and Rs 1,357 crore in two different occasions by selling Mallya's shares, which was a significant chunk of their total claim of Rs 9,900 crore from Mallya.

IDBI Bank reported a net profit of Rs 603 crore for the quarter ended June 2021.

Bank of Baroda reports huge profit

State-owned Bank of Baroda (BoB) reported a standalone profit of Rs 1,208.63 crore during the quarter ended June 2021, helped by decline in bad loans provisioning. The bank had posted a net loss of Rs 864 crore in the same quarter a year ago.

Total income moderated marginally to Rs 20,022.42 crore from Rs 20,312.44 crore in the same quarter a year ago, BoB said in a regulatory filing.

The bank's asset quality improved with the gross non-performing assets (NPAs) falling to 8.86 per cent of the gross advances as on June 30, 2021, from 9.39 per cent by the end-June 2020. However, net NPA ratio rose to 3.03 per cent from 2.83 per cent as on June 30, 2020, the bank said.

As a result, total provisions and contingencies for the quarter eased to Rs 4,111.99 crore from Rs 5,628 crore a year ago.

Provisioning Coverage Ratio including floating provision stood at 83.14 per cent as on June 30, 2021. A penalty of Rs 41.75 lakh has been imposed on the bank by Reserve Bank of India for the quarter ended June 30, 2021, it said.

As per the Reserve Bank of India (RBI) circular, the bank has opted to provide the liability for frauds over a period of four quarters, it said.

Accordingly, the carry forward provision as on June 30, 2021 is Rs 349.45 crore which is to be amortised in the subsequent quarters by the bank, it said.

IndusInd Bank's net profit doubles

Private sector lender Ind-usInd Bank's consolidated net profit almost doubled year-on-year (YoY) to Rs 1,016 crore in the June quarter compared to Rs 510 crore. Its standalone profit more than doubled to Rs 974.95 crore, aided by lower provisions and higher other income.

Net interest income was up 8 per cent YoY to Rs 3,564 crore, from Rs 3,309 crore in Q1FY21. Net interest margin was at 4.06 per cent, from 4.28 per cent for Q1FY21, due to lower credit offtake and surplus liquidity placed under repo with the RBI. Other income was up 18 per cent YoY to Rs 1,788 crore and the total income rose 11 per cent to Rs 5,352 crore.

Provisions and contingencies were down 18.4 per cent YoY to Rs 1,844 crore against Rs 2,258.88 crore. In the March quarter, it had provided Rs 1,865.69 crore. It holds standard contingent provisions of Rs 2,050 crore. Asset quality weakened as gross NPAs rose to 2.88 per cent, up 21 basis points from the March quarter and 35 bps from Q1FY21. Net NPAs rose 15 bps to 0.84 per cent over Q4.

AIBEA urges to exempt PSUs/commercial banks

Ahead of the LokSabha taking up the Deposit Insurance Bill for passage, the All India Bank Employees' Association (AIBEA) has urged Finance Minister NirmalaSitharaman to exempt from its purview public sector banks and/or commercial banks, which are covered under Section 45 of the Banking Regulation Act.

Commercial banks pay about Rs. 12,000 crore of premium to the Deposit Insurance and Credit Guarantee Corporation (DICGC), which is an unwarranted expenditure as it would otherwise have gone to the banks' profit, CH Venkatachalam, general secretary, AIBEA, said in a letter to the Finance Minister.

Venkatachalam pointed out that Section 45 empowered the government and the RBI to amalgamate any bank with another bank to avert closure and loss of customers' deposits.

"That is why, while hundreds of banks were getting closed prior to 1960, with this amendment to Banking Regulation Act, not a single commercial bank has been liquidated or closed," he pointed out, adding there was thus no question of any commercial bank getting closed down. The AIBEA strongly felt that the deposits of commercial banks and, importantly, public sector banks, need not be covered by the deposit insurance scheme, he said.

He highlighted that, year after year, public sector banks and all commercial banks were required to pay a huge premium to DICGC, yet the claim ratio was nil since there was no likelihood of liquidation. The AIBEA letter highlighted that the claim settled so far, since 1962, was only Rs. 5,200 crore, and that too for cooperative banks.

The AIBEA's missive comes at a time when the government is looking to increase the deposit insurance coverage to Rs. 5 lakh from Rs. 1 lakh at present.

The AIBEA letter also highlighted the fact that of the 2,067 banks covered by the DICGC, the 1,923 cooperative banks were the only ones facing threats of closure and their deposits need protection. Even in their case, the premium should be charged only to the extent of deposits covered by insurance, rather than the total assessable deposits, which is much higher, the association said.

Federal Bank, YES Bank discuss issuance of credit cards

With the Reserve Bank of India barring MasterCard from onboarding new users, Federal Bank and YES Bank are in discussions with Visa and RuPay to restart issuances of credit cards.

Both the private sector lenders had exclusive tie ups with MasterCard. They have stopped onboarding of new credit card customers following the embargo by the RBI on MasterCard from acquiring new customers.

ShaliniWarrier, Executive Director, Federal Bank, said the lender is likely restart issuance of credit cards within two months. "There are two other franchises - Visa and RuPay. We have started the process with both of them and we will be back in action within the next two months. We will continue with existing to bank customers and at some point move to new to bank customers," she said. The bank had launched credit cards for existing to bank customers in a digital format in June and had onboarded 20,000 cards to date.

YES Bank Managing Director and CEO Prashant Kumar also said the process to onboardRuPay and Visa for initiating issuance has started. "The bank has already signed an agreement with RuPay and will sign an agreement with Visa within next week," he said, adding that they expect issuance to restart in 90 to 120 days.

YES Bank in recent months has been fairly ambitious in its credit card business. Kumar said over the next three months, the bank would not be in a position to issue 75,000 to 1 lakh cards. "There will be no impact due to the bar on MasterCard on existing 9,87,000 credit cards in force. It will not impact profitability of the bank in the short term and we will make up on the lost acquisition momentum in the current fiscal year," he further said, adding that the news of the embargo on MasterCard came as a surprise to the bank.

Bank of Maharashtra net profit rises

Bank of Maharashtra (BoM) reported a 106% year-on-year (y-o-y) rise in net profit at Rs 208 crore in the June quarter. The bank's net interest margin improved to 3.05% from 2.43% in the corresponding quarter last year. Its net interest income increased by 29% to Rs 1,406 crore in the quarter compared to Rs 1,088 during Q1FY21. Net non-performing assets (NPAs) fell by 188 basis points to 2.2% from 4.10% last year.

The bank's gross NPA declined to 6.35% as on June 2021, against 10.93 % last year. The bank's provision coverage ratio improved to 90.70% as against 85.62% last year. During the quarter, the bank made Covid-19 provision of Rs 285 crore, taking the total Covid provisions to Rs 1,000 crore.

The bank's operating profit grew by 56% to Rs 1,110 crore. The bank's cost of funds reduced by 58 basis points. Gross advances increased by 14.46% to Rs 1,10,592 crore in Q1FY22 y-o-y, with the retail loans growing by 19.35% to Rs 28,871 crore driven by rise in housing and vehicle loans.

Net revenues for Q1FY22 improved by 44% to Rs 2,097 crore. The bank's fee based income increased by 68% on y-o-y basis to Rs 245 crore.

Non-interest income rose by 87% to Rs 691 crore in Q1FY22. There was an improvement in the cost to income ratio to 47.05 % for Q1FY22 as against 51.25 % for Q1FY21.

PSBs vacating branches godsend for lenders

The move by five public sector banks

to reduce their branch numbers is proving godsend for lenders looking to expand their network.

The branches being vacated by Bank of Baroda (BoB), Punjab National Bank (PNB), Canara Bank, Union Bank of India (UBI) and Indian Bank have opened the doors to ready-made premises for other lenders. For the latter set, network expansion happens faster, at reasonable costs (as owners of these premises are desperate to rent them out) and without the hassle of re-doing interiors.

To cut down on operating expenses, the five PSBs have been merging or rationalising branches after the amalgamation of banks with them.

AS Rajeev, MD & CEO, Bank of Maharashtra, observed, 2530 per cent of the branches opened by BoM last year were in the premises vacated by the PSBs. "The rent is comparatively less. That is why our rent outgo is not increasing despite the rise in the number of branches," he said. BoM, which opened 82 branches last year, plans to open about 100 in FY22.

BK Divakara, CFO, CSB Bank, noted that 30-40 branches opened in 2020 and so far this year have been at premises vacated by a PSB. Divakara said the bank opened 101 branches last year and plans to open 200 this year.

CSB Bank actively scouts for ready-to-move premises being vacated by PSBs to avoid overlap of branches. These premises usually come with a strongroom (constructed to central bank specifications), counters and furnishings.

After the amalgamation of Dena Bank and Vijaya Bank with BoB on April 1, 2019, the latter merged or rationalised 1,310 branches.

PNB rationalised about 430 branches after Oriental Bank of Commerce and United Bank of India were merged with it from April 1, 2020. Canara Bank merged or closed 105 branches after taking over Syndicate Bank on April 1, 2020.

Union Bank of India merged or closed 275 branches after the amalgamation of Andhra Bank and Corporation Bank with it from April 1, 2020. Indian Bank rationalised 203 branches after absorbing Allahabad Bank from April 1, 2020.

Bandhan Bank registers 8% YoY growth

Bandhan Bank registered an 8% year-on-year growth in its advances for the first quarter this fiscal. However, on a quarter-on-quarter basis, advances fell 8%.

In a stock exchange filing, the Kolkata-based lender said for the quarter ended June its loan and advances increased approximately to Rs 80,128 crore from Rs 74,331 crore for the year-ago period. Loan and advances stood at Rs 87,043 crore at the end of March quarter last fiscal.

Total deposit during April-June grew 28% y-o-y at Rs 77,336 crore, while it witnessed a degrowth of 1% Q-o-Q from Rs 77, 972 crore in January-March. The bank's overall collection efficiency for June was around 80% (considering all customers, including NPA customers) against around 96% in March.

Collection efficiency for the microfinance segment in June fell to around 72% from around 95% in March this year.

Bank of Maharashtra signs MoU with NABARD

Bank of Maharashtra (BoM), a premier public sector bank in the country, has signed MoU with NABARD in a function organized at Head Office of the Bank. The MoU signed in the presence of Mr. Hemant Tamta, Executive Director, Bank of Maharashtra &Mr. G.S. Rawat, Chief General Manager, NABARD, Maharashtra Regional Office, Pune. It is on a collaborative approach to enhance rural prosperity through convergence of the institutional lending & ongoing development initiative. The MoU has been signed by Mr. M.A. Kabra, General Manager, Credit Priority - Agriculture, FI & SLBC, Bank of Maharashtra & Smt. RashmiDarad, General Manager, NABARD, Maharashtra Regional Office, Pune.

Considering the common interests in the specific area of promoting agriculture and rural development, Bank of Maharashtra & NABARD will work together to boost ongoing developmental initiatives which will benefit the Farmers, Farmer Producer Organizations, Joint Liability Groups, Self Help Groups, Rural Artisans, Weavers, Agripreneurs, Agri Start-ups, Micro, Small and Medium Enterprise, etc. in the State of Maharashtra.

Mr. Hemant Tamta said that Bank of Maharashtra being the lead bank in the Maharashtra state is effectively shouldering responsibility since 1976 as Convener of State Level Bankers' Committee. He also appreciated the role of NABARD Regional Office being Chairman of the SLBC Sub-committee on Agriculture. NABARD is taking all efforts towards pro-active & supportive approach in terms of guiding the Member Banks & LDMs in the State to focus on Agri. Investment Credit / Term Loan lending.

'With signing of this MoU, Bank of Maharashtra & NABARD put together will reach greater heights in term of overall development of Rural areas in Maharashtra State' opined Mr. Hemant Tamta.

State bank of india gives special offers

There will be no processing fees charged on personal and pension loan customers. State Bank of India announced concessional interest rates, waiver of processing charges on loans and higher deposit rates on specific tenures to commemorate India's 75th Independence day.

SBI said it will waive processing fees for its car loan customers, and has offered up to 90% on-road financing for their car loans. Customers applying fora car loan through the bank's YONO app will get a special interest concession of 25 basis points (bps). YONO users can avail car loans at an interest rate starting at 7.5 per cent per annum, the bank said.

Customers looking for gold loans will get a 75 basis point reduction in the interest rates at 7.50%. One basis points is 0.01 percentage point. No processing fees will be charged for customers applying for gold loans through The bank had announced a waiver on processing fees on home loans till

August 31, 2021. Its home loan starts at 6.70% per annum.

There will be no processing fees charged on personal and pension loan customers.

Frontline healthcare workers will get a 50 basis point concession on personal loans, which will soon be available for application under car and gold loans as well.

RBI panel bats for treating UCBs as SFBs

Large urban cooperative banks (UCBs) should be allowed to function along the lines of small finance banks (SFBs) and universal banks, a Reserve Bank of India (RBI)-appointed expert panel said in a report. The committee under the chairmanship of former RBI deputy governor N.S. Vishwanathan proposed a four-tier structure for urban cooperative banks or UCBs based on the size of deposits and capital availability, among other factors.

In its report, the committee said tier-3 urban cooperative banks with deposits of Rs. 1,000 crore to Rs. 10,000 crore must function like SFBs if they meet a capital adequacy ratio of 15%. The loan portfolio of tier-3 urban cooperative banks shall conform to the stipulations made for SFBs, it added.

Tier-4 UCBs with deposits of over Rs. 10,000 crore should be allowed to function like universal banks if they meet the 9% capital adequacy ratio requirement, leverage ratio and has a fit and proper board and chief executive. The urban cooperative banks will have operational freedom for branch expansion and authorized dealer licence on a par with universal banks.

Smaller UCBs with deposits of up to Rs. 100 crore will be categorized as tier-1 UCBs and those with deposits of Rs. 100-1,000 crore will be categorized as tier-2 UCBs.

The committee also proposed the setting up of an umbrella organization (UO) with a minimum capital of Rs. 300 crore and a regulatory framework similar to non-banking financial companies. "In the long run, the UO may take up the role of a self-regulatory organization for smaller UCBs, where the UO could run an independent audit/inspection and supervisory division that may conduct both offsite and onsite supervision," it said.

The recent banking regulation amendment has empowered RBI to declare certain securities issued by urban cooperative banks under the Securities Contract Regulation Act to facilitate listing and trading in recognized stock exchanges. The committee has recommended that until such time, RBI may consider allowing banks in tier-3 and tier-4 cities with the necessary technology and wherewithal to issue shares at a premium to people residing in their areas of operation, subject to certain conditions.

HDFC Bank net profit rises 16%

HDFC Bank reported a lower-than-expected net profit of Rs 7,729.6 crore for the quarter ended June 2021, an increase of 16.1% over the corresponding quarter last year. The bank recorded a net profit of Rs 6,658 crore in the corresponding quarter last year and Rs 8,186 crore for the quarter ended March 2021.

Profits were constrained by a 23% rise in provisions to Rs 4,803 crore from Rs 3,891 crore in the corresponding quarter last year. The ratio of gross non-performing assets (bad loans) to gross advances rose to 1.47% from 1.36% a year ago. Speaking at the bank's annual general meeting, Atanu Chakraborty, chairman, HDFC Bank, said the pandemic has induced general risk aversion which has translated into lower spending.

On the RBI action against the bank for not being able to fix glitches in its online services, Chakraborty said they have taken the action in the right spirit. ❑

Reserve Bank News

RBI gives nod to set up small finance bank

The Reserve Bank of India (RBI) told the Delhi High Court that it has given in-principle approval for setting up a small finance bank which will take over the scam-hit PMC Bank soon.

A bench of Justices D N Patel and Justice Jyoti Singh granted time to the RBI to file an affidavit on the development in the matter.

Senior advocate JayantBhushan, representing the RBI, submitted that it has given in-principle approval to Centrum Finance Services Ltd to set up a small finance bank which will take over Punjab and Maharashtra Cooperative (PMC) Bank very soon as the process in near completion.

He said this will ease the trouble faced by the bank's customers who are unable to withdraw their money.

The court was hearing an application by consumer rights activist Bejon Kumar Misra seeking directions to the RBI to consider other needs of PMC Bank depositors such as education, weddings and dire financial position, not just serious medical emergencies as being done at present.

The application was filed in Misra's main PIL seeking directions to the RBI to ease the moratorium on withdrawals from the PMC Bank during the coronavirus pandemic.

RBI extends deadline for current A/c

The RBI has given banks time until October 31 to comply with its circular on introducing discipline in the opening of current accounts.

The RBI has said that banks should escalate to the Indian Banks' Association (IBA) any issues they face in implementing the directive, and if it still remains unresolved they should be forwarded to the RBI for regulatory consideration.

According to a PSU bank chief, the RBI in its meeting with public sector lenders made it clear that the circular needs to be implemented in spirit but if there are operational issues faced by customers, they should be resolved at the industry level.

In a fresh circular on the guidelines for current accounts, the RBI reiterated that it does not apply to borrowers who have not availed of cash credit (CC) or overdraft (OD) facility and the banking sectors exposure to them is below Rs 5 crore.

IDFC says RBI nods for exiting IDFC First bank

IDFC Ltd said the Reserve Bank of India (RBI) has clarified that the company can exit IDFC First Bank as a promoter after the completion of five years. However, this is a clarification given by the central bank and not a formal nod. IDFC will have to seek formal approval from the central bank for the exit.

IDFC is the owner of the holding company IDFC Financial Holding Company, which in turn holds 36.56 per cent stake in the bank. IDFC's exit from the bank will indicate that the holding company could reverse merge with the bank, in line with what two small finance banks recently announced. If the holding company merges with the bank, then IDFC may have to sell its mutual funds business as well, analysts say.

The bank management was not immediately available for comment on the development.

IDFC announced receiving the RBI's

clarification in a notification to the exchanges. The 36.56 per cent holding of IDFC is valued at Rs 11,618 crore at the current market price.

IDFC Bank received the licence from the RBI in 2014, and was floated in 2015. So, the five-year period came to an end in October 2020. The bank merged with Capital FIRST in 2018 to become IDFC FIRST Bank.

The initial licensing condition to IDFC was that the promoters must have a minimum of 40 per cent stake locked in for five years.

Recently, two small finance banks - Ujjivan SFB and Equitas SFB - said they would try to reverse merge their respective holding companies with themselves as the five-year lock-in period expired for the promoter holding companies.

However, IDFC said in its notification that it received permission to exit the bank altogether.

RBI announces framework for outsourcing payment

The Reserve Bank of India announced the framework for outsourcing payment and settlement-related activities by payment system operators (PSO).

The objective is to put in place minimum standards to manage risks in outsourcing of payment and settlement related activities including tasks such as on boarding customers and IT-based services.

"This framework is applicable to non-bank PSOs insofar as it relates to their payment and settlement-related activities," the RBI said, adding that it is applicable to all service providers, whether located in India or abroad.

The central bank has set a deadline of March 31, 2022 for PSOs to ensure that all their outsourcing arrangements, including the existing ones, are in compliance with the framework.

The framework has said PSOs will not outsource core management functions, including risk management and internal audit; compliance and decision-making functions such as determining compliance with KYC norms.

Core management functions would include management of payment system operations such as netting and settlement, transaction management like reconciliation, reporting and item processing, according sanction to merchants for acquiring, managing customer data, risk management, information technology and information security management.

RBI approves Ladakh to pick stake in J&K Bank

The Reserve Bank of India has accorded its approval to the Government of the Union Territory (UT) of Ladakh to acquire 8.23 per cent of the paid-up equity capital of Jammu and Kashmir Bank Ltd as on the date of enforcement of Jammu and Kashmir Reorganisation Act, 2019 (October 31, 2019).

This move follows the Government of Jammu and Kashmir's October 30, 2020, Order regarding the transfer of 8.23 per cent shareholding (about 4.58 crore equity shares) in Jammu and Kashmir Bank as of October 31, 2019, to the UT of Ladakh, the bank said in a statement.

This is subject to compliance with the relevant provisions of Banking Regulation Act, 1949, RBI Master Direction on Prior approval for the acquisition of shares or voting rights in private sector banks, Master Direction on Ownership in Private Sector Banks, among others, it added.

As of June end 2021, the Government of Jammu and Kashmir was the majority shareholder, owning 68.18 per cent stake in the bank.

The bank, which declared its financial results on July 14, reported a net profit of Rs. 317 crore in the fourth quarter ended March 31, 2021, against a net loss of Rs. 294 crore in the year-ago quarter and a net profit of Rs. 66 crore in the December 2020 quarter.

RBI openscentralised payments systems for non-banks

Issuers of prepaid cards and digital wallets can now access the National Electronic Fund Transfer (NEFT) and Real-Time Gross Settlement (RTGS) systems. Opening up the centralised payment systems for non-banks, the RBI said that white-label ATM operators and card networks can also access the RTGS.

What this means is that these entities will now get separate Indian Financial System Codes (IFSC) and will get to open a current account with the central bank.

The move will bring down the cost of routing payments for non-banks. It will also reduce the risk of failure or delay in the execution of fund transfers as they no longer have to rely on banks.

The RBI said that direct access was

being provided so that customers of non-banks do not face the risk of bank failure. "Banks have been providing the services to non-banks for their payment and settlement needs. However, if the bank, which provides payment services to non-banks, is impacted, it can cause business disruption to the non-banks also," the RBI said.

It added that even if the disruption were to be temporary, it could cause and spread instability in the system. The RBI had announced its intent to open up the payment system to non-banks in its monetary policy in April 2021.

RBI allows UCB to augment capital

The Reserve Bank came out with draft guidelines allowing primary urban cooperative banks (UCBs) to augment capital through issuance of equity shares, preference shares and debt instruments.

The UCBs, it said, could raise share capital by issue of equity to persons within their area of operation enrolled as members and also through additional equity shares to the existing members.

The UCBs, as per the draft, will be permitted to raise Tier-I and Tier-II capital by issuing Perpetual Non-Cumulative Preference Shares (PNCPS), Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS) and Redeemable Cumulative Preference Shares (RCPS).

The UCBs will also be allowed to issue Perpetual Debt Instruments (PDI) which will be eligible to be included in Tier-I capital and Long Term Subordinated Bonds(LTSB) as Tier-II capital.

The Banking Regulation (Amendment) Act, 2020 came into force with effect from June 29, 2020 for Primary (Urban) Co-operative Banks (UCBs).

In view of the changes mandated by the amendments, the Reserve Bank of India has released the draft circular on 'Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks'.

It has invited comments on the draft from UCBs, sector participants and other interested parties by August 31, 2021.

RBI allows UCBs to refund share capital

The RBI has decided to allow urban co-operative banks (UCBs) to refund the value of the share capital to their members.

"It has been decided in the interim to permit UCBs which maintain CRAR of 9 per cent or above to refund the value of share capital to their members or nominees or heirs of deceased members on demand," the RBI said in a circular to UCBs. The Banking Regulation Act prohibits withdrawal or reduction in share capital by UCBs unless the RBI specifies the extent up to which and the conditions subject to which such withdrawal or reduction may take place, RBI said.

Union Road Transport & Highways and MSME Minister NitinGadkari had said there will be no forced privatisation of co-operative banks in order to bolster the co-operative sector.

Addressing the Loksatta Urban Co-operative Banking e-conclave on January 7, Gadkari said as a representative of the Centre and also as a representative of the people, he would act as a bridge between the co-operative banks in Maharashtra and the Finance Ministry, RBI, NABARD and the state government. Gadkari had said co-operative banks must compete with private banks to make an impression on lawmakers in Delhi. Gadkari added while privatisation of co-operative banks has been discussed since 1996, neither the central government nor the RBI has ever forcefully imposed it on the banks. Parliament passed amendments to the Banking Regulation Act in September 2020, bringing co-operative banks under the RBI's supervision.

RBI revises guidelines for locker hiring

The Reserve Bank came out with revised guidelines for the hiring of lockers under which the liability of banks will be limited to 100 times its annual rent in case of fire, theft, building collapse or frauds by bank employees.

As per the revised guidelines, which shall come into effect from January 1, 2022, banks will be required to incorporate a clause in the locker agreement prohibiting the hirer from keeping anything illegal or hazardous in lockers.

The RBI said it has reviewed the 'Deposit Locker/Safe Custody Article Facility provided by the banks' after taking into consideration various developments in the area of banking and technology, nature of consumer grievances and also the feedback received from banks and Indian Banks' Association (IBA).

Industry News

Defence exports estimated at Rs. 38,500 crore

India exported military hardware and systems worth Rs 38,500 crore in the last seven years, according to details provided by the government in the Lok Sabha.

Replying to a question, Minister of State for Defence Ajay Bhatt said the major items exported during 2014-15 and 2020-21 included armoured protection vehicles, weapons locating radar, light-weight torpedo and fire control systems and tear gas launchers.

"Currently, the exports are being made to about 75 countries. Names of the countries cannot be divulged due to strategic reasons," he said.

Ashok Leyland to launch first electric vehicle

Commercial vehicles (CV) major Ashok Leyland lined up its electric vehicle (EV) road map, setting a target of becoming one of the world's top 10 CV brands.

The company's EV push will be done through UK-based Switch Mobility - a combined entity of Ashok Leyland's electric CV operations and the erstwhile Optare of the UK.

Switch Mobility will be launching its first electric light commercial vehicle (e-LCV) in India by the end of December; it has secured 2,000 orders. These vehicles will be manufactured in India and sold under the Switch brand. The group has plans to invest $150-200 million in the EV space in the next few years.

Ashok Leyland said, it has invested around $136 million in Switch Mobility and expects the new entity to raise its own capital in the future.

India's Exports rise to $35.17 bn

India's exports grew by 47.19 per cent to $35.17 billion on account of healthy growth in the outbound shipments of petroleum, engineering, and gems and jewellery, according to the provisional data of the commerce ministry. Imports during the month also rose by 59.38 per cent to $46.40 billion, leaving a trade deficit of $11.23 billion. Exports of petroleum, engineering, and gems and jewellery in July increased to $ 3.82 billion, $ 2.82 billion and $ 1.95 billion respectively, the data showed.

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However, exports of oilseeds, rice and meat, dairy and poultry products have recorded negative growth in the month under review. Imports of petroleum, crude, and products rose by 97 per cent to $ 6.35 billion.

Similarly, imports of gold were up by 135.5 per cent to $ 2.42 billion and pearls, precious and semi-precious stones inbound shipments stood at $ 1.68 billion in July. However, imports of transport equipment, project goods and silver have recorded negative growth in July. Further exports to the US, UAE, and Belgium increased to $ 2.4 billion, $ 1.21 billion and $ 489 million in July.

CBDT omits rules and forms to do away with redundant provisions

As part of its efforts to do away with redundant provisions and clean up the statutory framework, the Central Board of Direct Taxes (CBDT) has dropped 24 rules and over 70 forms from its playbook.

In an amendment to Income Tax Rules, 1961, published, the CBDT said the rules and forms were being omitted with immediate effect.

However, any pending proceeding before the income-tax authorities, appellate tribunals or courts will continue, and agreements, appointments, approvals, recognitions, directions and notifications on the basis of the withdrawn rules and forms will remain in force.

The list of forms and rules, which were omitted from 29 July, is extensive and includes income tax forms, statements and returns, which were used for compliance, said Archit Gupta, founder and chief executive officer of online tax service provider Clear (formerly Cleartax).

Fee exemption for battery operated vehicles

The Union government has exempted battery-operated vehicles from payment of registration fees, a move aimed at encouraging e-mobility in the country. "Battery operated vehicles shall be exempted from the payment of fees for the purpose of issue or renewal of registration certificate and assignment of new registration mark," the ministry of road transport and highways said in a gazette notification The notification shall come into effect immediately, it said.

Bengal govt wins SKOCH awards

The Government of West Bengal has received four SKOCH awards for its schemes under the Ease of Doing Business initiative. The State scheme 'Silpasathi'-the online single window portal won the platinum award while the Auto Renewal of Certificate of Enlistment through online system for urban areas has received the gold award. Online issuance of trade licences in rural areas and the E-Nathikaran: the online system for registration, preparation and submission of deeds have won two silver awards.

Chief Minister Mamata Banerjee tweeted, the state government will ensure that the ease of doing business in West Bengal continues to be one of the foremost in the country.

CBIC interprets SC orders only for filing appeals

The government has clarified that a relief granted by the Supreme Court in April by way of extra time for various proceedings under law in view of the pandemic was limited only to filing appeals by parties and that it does not prevent officials from carrying out their quasi-judicial work.

The Central Board of Indirect Taxes and Customs (CBIC) has in a circular issued interpreted that the apex court's order does not apply to the compliance requirements of taxpayers and the routine decision making of tax officers who perform quasi-judicial duties.

The apex court had on 27 April ruled that the period starting from 15 March 2020 till a time to be specified will not count as far as the time limits prescribed for filing appeals or other proceedings under various laws and that it should be excluded. CBIC's clarification is based on a legal view it has obtained, given the far-reaching nature of the apex court's ruling.

According to the clarification from the indirect tax body, the extension of timelines granted by the court is applicable to appeals required to be filed before joint or additional commissioner (appeals), commissioner (appeals), Appellate Authority for Advance Ruling, tribunal and various courts against any quasi-judicial order or where proceeding for revision or rectification of any order is required to be made. This extension of timeline is not applicable to any other proceeding under GST laws, the tax authority said.

Experts said the tax authority's clarification defines the scope of the apex court's relaxation and limits it to filing of appeals or petitions for revision or rectification of any order.

Govt begins comprehensive review of GST

The Centre has begun a comprehensive review of the goods and services tax (GST) law, as well as various rules pertaining to the levy, to provide clarity on issues that have cropped up since it was rolled out in July 2017. The review is aimed at clearing the air on issues such as whether services provided by back offices of multinational companies in India qualify as exports, which are zero-rated and therefore don't face tax.

Simillarly, there is confusion over discounts reimbursed by FMCG and consume durables companies to their dealers to sell products at specially reduced prices being liable for GST or not. The review is expected to simplify the law and reduce disputes.

A government official said these issues along with many others will then be taken to the officials' committee of the GST Council for discussion.

Subsequently, based on the feedback, a detailed proposal will be put to the council for a final decision.

"The ideas is to iron out any legal issues to make the regime simpler, as was intended," the official said.

BSNL narrows consolidated loss

State-run telecom firm BSNL has narrowed its consolidated loss to Rs 7,441.11 crore in the financial year ended on March 31, 2021, according to an official.

The company had posted a loss of Rs 15,499.58 crore in 2019-20.

"The loss has come down mainly due to reduction in employee wages on account of voluntary retirement opted by 78,569 employees," a BSNL official said.

The revenue from operations of the company declined by 1.6 per cent to Rs 18,595.12 crore in 2020-21 compared to Rs 18,906.56 crore it reported in 2019-20, the official said.

BSNL's net worth has come down to Rs 51,686.8 crore during FY2021 from Rs 59,139.82 crore in the previous year.

The outstanding debt of the company increased to Rs 27,033.6 crore in FY2020-21 from Rs 21,674.74 crore in FY2019-20.

PM announces mission to make India self-sufficient in edible oils

As India's import dependency on edible oil continues to rise, Prime Minister NarendraModi announced a Rs 11,000 crore National Edible Oil Mission-Oil Palm (NMEO-OP) to make India self-sufficient in cooking oils, including palm oil.

"The government will ensure that farmers get all the facilities, from quality seeds to technology under the mission," Modi said while addressing a virtual event on the occasion of release of an installment of PM-KISAN.

Modi also said while India has become self-sufficient in rice, wheat and sugar, it was not enough as the country is hugely dependent on imported edible oils.

The Centre has already been running a National Mission on Oilseeds and Oil Palm to boost oilseeds and palm oil production in India for the last few years with an aim to lower imports.

Sources said the new Mission plans to increase oil palm cultivation to 1 million hectares by 2025-26 and 1.7-1.8 million hectares by 2029-30.

India witnesses addition of 16 million jobs

India witnessed an addition of 16 million jobs in July mainly in the agriculture and construction sectors, however, the number of salaried jobs fell by 3.2 million in the same month, according to the Centre for Monitoring Indian Economy (CMIE).

"India saw an addition of a massive 16 million jobs in July 2021. But, all the additional employment provided by India in July was of poor quality. 18.6 million additional people were employed as small traders and daily wage labourers," CMIE's MD and CEO Mahesh Vyas said in his analysis.

He said most of these were engaged in agriculture where 11.2 million additional people were employed.

The number of salaried jobs, which are mostly better quality jobs, fell by 3.2 million in the same month, Vyas said.

"The big jump in employment seen in agriculture in July is a reflection of the increase in sowing activities. Monsoon has been playing truant this year. This has delayed kharif sowing activities. By the end of June 2021, kharif sowing was more than 20 per cent lower than it was in the corresponding period of 2020," Vyas observed.

Cabinet approves amendments to LLP Act

In a booster shot for the startup ecosystem, the Cabinet has approved amendments to the Limited Liability Partnership Act, 2008 to bring LLPs on a par with large corporates, which enjoy the ease of doing business due to the government's recent efforts in decriminalising several provisions of the Companies Act.

As many as 12 offences under the existing LLP law are proposed to be decriminalised through the latest set of amendments.

Once the proposed changes to the LLP Act are effected, the number of compoundable offences under the legislation will come down to seven from 21, the total number of penal provisions will get reduced to 22 from 24, and there will be only three non-compoundable offences, said NirmalaSitharaman, Finance Minister.

Govt clears total FDI in PSU oil

The government cleared 100% FDI (foreign direct investment) through the automatic route in public sector oil companies, paving the way for overseas investors to acquire Bharat Petroleum Corporation, which is up for sale.

The clearance will allow foreign companies to invest in other state-run oil companies that the government may divest in future.

The current policy caps FDI in state-owned oil companies at 49% but allows 100% foreign holding in the private sector entities.

The decision will be implemented through an executive order and will not require any legal amendment.

All the three entities who have submitted EoI (expression of interest) have foreign investment. Anil Agarwal's Vedanta, through an SPV with its London-based parent Vedanta Resources, Apollo Management and Think Gas, have submitted EoIss for acquiring the government's 52.98% stake in BPCL.

Centre aims to setup two lakh micro-food processing units

The Food Processing Ministry said that it is implementing a Centrally-sponsored scheme with an outlay of Rs. 10,000 crore to encourage setting up or upgradation of two lakh micro-food processing enterprises. The scheme is being implemented from 2020-21 to 2024-25.

Minister of State for Food Processing Prahlad Singh Patel informed the RajyaSabha in a written reply that the Central Scheme-PM Formalisation of Micro Food Processing Enterprises Scheme (PMFME) provides financial, technical and business support for these enterprises. "The enterprises can be set up or upgraded through credit-linked subsidy during five years from 2020-21 to 2024-25," he added.

He added that the Ministry has so far approved 41 mega food parks, 353 cold chain projects, 63 agro processing clusters, 292 food processing units, 63 creation of backward & forward linkages projects & 6 operation green projects across the country.

This has been approved under the various component schemes of Pradhan MantriKisan SAMPADA Yojana, which is being implemented since 2016-17.

Under these component schemes of PMKSY, Food Processing Ministry provides mostly credit linked financial assistance (capital subsidy) in the form of grants-in-aid to entrepreneurs for setting up of food processing or preservation units. "These sanctioned projects are estimated to benefit about 34 lakh farmers on completion," the Ministry stated.

PFRDA advises CRA to implement 'instant bank a/c verification'

Pension regulator PFRDA has advised the Central Record Keeping Agency (CRAs) to implement the process of 'instant bank account verification' for the benefit of National Pension System (NPS) subscribers at the time of processing their exit/withdrawal request.

CRAs have been asked to adopt the "penny drop" process that involves crediting the bank account of a beneficiary with a token amount of say Rs. 1 and matching the name in the bank account numbers with the Permanent Retirement Account Number (PRAN) based on the penny drop response. This will be an enhanced due diligence under the exit/withdrawal process of NPS. For this purpose, CRAs would have to integrate their IT system and exit framework with the fintech service providers, the Pension Fund Regulatory & Development Authority (PFRDA) has said.

Hitherto, the CRAs were asking the banks to verify the account of the beneficiary and then convey their status. This was seen to be a time consuming exercise as the amount will be processed for crediting into the savings bank account (SBA) of the beneficiary only after getting the response from the bank.

Now, as per the new advisory, the verification will be done at the CRA's end itself, thereby reducing the time involved for crediting the amount, sources close to the development said.

PFRDA has also now said that the existing charge structure for 'instant bank account verification' should be recovered by CRA from the subscribers for further reimbursement to the service provider.

Factoring Regulation (Amendment) Bill passed

The Lok Sabha passed the Factoring Regulation (Amendment) Bill 2020 that seeks to widen the scope of entities that can engage in factoring business. The Bill will pave the way for non-NBFC factors and other entities to undertake factoring activities.

Moving the Bill for passage in the lower house, Finance Minister Nirmala Sitharaman said that the government has accepted all the recommendations of the Standing Committee of Finance, which had submitted its report on February 3 this year.

She said the Standing Committee had recommended about eight changes, including one legislative change and all have been accepted by the government.

It may be recalled that the Factoring Regulation (amendment) Bill 2020 was introduced in the Lok Sabha in September last year and the purpose of the proposed amendments was to liberalise the restrictive provisions in the Act and at the same time ensure that a strong regulatory/oversight mechanism is in place through the Reserve Bank of India.

Factoring is a transaction where an entity (like MSMEs) 'sells' its receivables (dues from a customer) to a third party (a 'factor' like a bank or NBFC) for immediate funds (partial or full). Currently, seven non-bank finance companies called NBFC factors do the majority of the factoring through the principal business condition. These are Canbank Factors, India Factoring and Finance, SBI Global Factors, Siemens Factoring, Bibby Financial Services, IFCI Factors and Pinnacle Capital Solutions.

The Standing Committee on Finance headed by Jayant Sinha had recommended the integration of Trade Receivables Discounting System (TReDS) with GSTN e-invoicing portal leading to automatic uploading of all GST invoices on to the TReDS platform to enable real-time sharing of data that will allow buyers and sellers to have a single window access to invoices.

This panel had also recommended that receivables coming from the Central and State governments should compulsorily be brought under the ambit of TReDS through this legislation so that payments pending from the governments, which have already been approved for various MSMEs, are made available to them on a timely basis.

The standing committee has also recommended that credit insurance be extended for domestic factoring to provide additional protection to the factor and further encourage and promote the factoring companies to lend to more aggressively to MSMEs. Also, factoring company should be granted status of specialised MSME funding entity so that a major portion of their corpus is earmarked for the benefit of MSMEs. To encourage growth of factoring business, the standing committee had also stressed the need to have a credit rating mechanism for receivables and suggested that commercial banks be encouraged to provide a wholesome financing for Factors.

Lok Sabha passes IBC Amendment Bill

The Lok Sabha has passed the Insolvency and Bankruptcy (amendment) bill, which paves the way for a pre-packaged resolution process for the Micro, Medium and Small Enterprises sector.

Minister of State for Corporate Affairs RaoInderjit Singh moved the bill for consideration and passage amid din in the lower house of Parliament, which was later passed without any discussion with opposition members continuing their protest over Pegasus snooping issue and the three new farm laws.

Singh said the Insolvency and Bankruptcy Code (Amendment) Bill, 2021, will replace the ordinance that was promulgated on April 4 as part of efforts to provide relief to MSMEs adversely impacted by the pandemic.

The bill proposes a new chapter in the IB Code to facilitate the pre-packaged insolvency resolution process for MSMEs.

Modi launches several initiatives under NEP

Prime Minister Narendra Modi announced launching of several initiatives undertaken under the National Education Policy (NEP) 2020 including Academic Bank of Credit and the Artificial Intelligence programme to make the youth future-oriented and open the way for an AI-driven economy.

Academic Bank of Credit is envisaged as a digital bank that holds the credit earned by a student in any course. It will facilitate multidisciplinary education and enable multiple entry and exit for students in higher education.

A University Grants Commission notification said that the Academic Bank of Credits will enable students to select the best courses or combination of courses to suit their aptitude and to tailor their degrees or make specific modifications or specialisations rather than undergoing the rigid, regularly prescribed degree or courses of a single university. It said students will be academic account holders to whom the Academic Bank of Credits will provide a variety of services including credit verification, credit accumulation, credit transfer or redemption and authentication of academic awards.

He launched NISHTHA 2.0 to train teachers, designated the Indian sign language as a subject that students can study. "There are more than 3 lakh student who need sign language for their education. This will give a boost to Indian sign language and will help the divyang people," said PM Modi.

Modi also launched Structured Assessment For Analysing Learning Levels (SAFAL) a competency based assessment framework for Grades 3, 5 and 8 in CBSE schools and a website dedicated to AI.

GST authorities unearth Rs. 35000 crore fraud

In the year-long crackdown on tax evasion, the GST authorities have unearthed over Rs 35,000 crore of tax fraud committed by misuse of input tax credit provision under the Goods and Services Tax (GST) regime.

During the 2020-21 financial year, the CGST zones and the Directorate General of GST Intelligence (DGGI) booked about 8,000 cases involving fake ITC of over Rs 35,000 crore, a statement from CBIC said.

Under the GST regime, at the time of paying tax on output, entities can reduce the tax they have already paid on inputs. Some have, however, misused the provision by creating fake invoices on inputs.

"Misuse of the beneficial provision of ITC under the GST regime is the most common modus of evasion under the GST law," the statement said.

Mutual Fund News

Bajaj finserv gets approval for setting MF

Financial services giant Bajaj Finserv said it has received in-principle approval from the Securities and Exchange Board of India (SEBI) for setting up a mutual fund (MF).

"Accordingly, the company would be setting up an Asset Management Company and the Trustee Company, directly or indirectly i.e., itself or through its subsidiary in accordance with applicable SEBI Regulations and other applicable laws," Bajaj Finserv's disclosure on exchanges read. Bajaj Finserv had applied for an MF licence from SEBI.

The entry of Bajaj Finserv is likely to add to the competitiveness in the industry, which already has 42 MFs. While a large chunk of the market share (57.85 percent of investor assets) is controlled by the top five fund houses, a new entrant such as Bajaj Finserv can gradually gain a solid footing given its wide distribution reach.

Bajaj Finance, its sister concern, has a presence in 2,392 locations, including 1,357 in rural areas, small towns and villages.

This vast branch network can help the MF business to penetrate geographies beyond the top-30 cities, which are known as B-30 locations in industry parlance.

Franklin to distribute Rs. 2918.5 crore to unitholders

Franklin Templeton Mutual Fund will distribute Rs. 2,918.5 crore to unitholders of six debt mutual fund schemes, according to a note issued by the fund house to mutual fund distributors.

With this, the schemes will have cumulatively returned Rs. 23,998.84 crore to investors or 96.18% of the net asset value of the six schemes that were wound up on 23 April 2020.

SBI Funds Management Pvt. Ltd is overseeing the liquidation of the schemes and the distribution of their proceeds, in line with the direction of the Supreme Court. Once the money is paid, a proportionate number of units get extinguished.

The six debt mutual funds were wound up by Franklin Templeton Mutual Fund, following heavy outflows. Some investors challenged the winding-up process and sought a vote on this. The apex court ruled that such a vote is required, and accordingly, consent of unitholders was sought in December 2020 and granted. Following the vote, the Supreme Court placed SBI Funds Management Pvt. Ltd in charge of the winding-up process.

The Securities and Exchange Board of India (Sebi) imposed penalties on Franklin Templeton Mutual Fund and some of its directors and barred it from launching new debt mutual fund schemes for two years. However, the Securities Appellate Tribunal stayed Sebi's orders in this matter.

Investors in the six different schemes have received different levels of repayment. Those in Franklin India Low Duration Fund would have received 107.86%, including the upcoming September 2021 payout. Those in the Franklin India Short Term Income Plan, however, would have received 84.43%. Unitholders in Franklin India Ultra Short Bond Fund, Franklin India Income Opportunities Fund, Franklin India Credit Risk Fund and Franklin India Dynamic Accrual Fund would have received 99.58%, 94.53%, 93.35% and 93.09%, respectively.

A key factor to watch out for Franklin

investors is a series of Vodafone Idea papers, which are due for interest payment on 2 and 3 September. The papers have an interest rate reset clause and a put/call option against them. They were placed into 'segregated portfolios' in January 2020 by the fund house.

ICICI Prudential Value Discovery Fund AUM reaches Rs 21,195 crore

ICICI Prudential Mutual Fund said its value discovery fund has witnessed significant investor interest over the years and has emerged as the largest scheme in the value category with a total asset base of Rs 21,195 crore as of July 2021. Moreover, the scheme -- ICICI Prudential Value Discovery Fund -- which completed 17 years in existence accounted for nearly 30 per cent of the total asset under management (AUM) in the value category, the fund house said in a statement.

The fund house said that if an investor had invested a lumpsum of Rs 1 lakh at the time of inception (August 16, 2004), as of July 31, 2021, that investment would have been worth Rs 22.13 lakh, translating into a compound annual growth rate (CAGR) of 20.03 per cent. In the same timeframe, the Nifty 50 TRI (additional benchmark) has delivered a CAGR of 15.91 per cent and the corresponding worth of investment would be Rs 12.24 lakh.

The scheme follows a value investment style by investing in diversified portfolio of stocks that have attractive valuations but are quoting at a discount to their intrinsic value. S Naren, ED and CIO at ICICI Prudential AMC, said global experience has always been that value as a strategy will not work all the time but tends to deliver sizeable returns in the long run.

Mirae Asset Mutual Fund to launch S&P 500 Top 50 Funds

Mirae Asset Mutual Fund will launch an Exchange Traded Fund (ETF) investing in the top 50 listed US companies comprising the S&P 500 index. The New Fund Offer (NFO) will last till 14 September.

Simultaneously, the fund house will launch a Fund of Funds (FoF), investing in units of the ETF. This will help investors without demat and trading accounts to invest in the underlying scheme. Demat and trading accounts are required to buy ETF units. The ETF will have an expense ratio of 0.37% while the FoF will have an expense ratio of 0.62% for the direct plan. For the regular plan, the FoF expense ratio will climb to 1.05%.

By way of comparison, the Motilal Oswal S&P 500 Index Fund which tracks the broader S&P 500 Index has an expense ratio of 0.49% on its direct plan and 1.06% on its regular plan.

According to a presentation released by the fund house, the S&P 500 Top 50 has delivered returns of 22.6% CAGR over the past 10 years in rupee terms (as of 31 July 2021). Over the past five years and one year, returns of the S&P 500 Index Top 50 come to 21.7% and 33.6%.

In two of three periods, the S&P 500 has beaten the Nifty 50 which has delivered 12.5% CAGR over the last 10 years and 14.5% CAGR over the last 5 years. Some of this out performance comes from the depreciation of the rupee which falls roughly 3-4% against the dollar per annum. It is only in the last one year that the Nifty did better, with a return of 44.2%.

SBI MF nets record Rs 12,000 crore in new fund

The euphoria of the stock market is spreading to the mutual fund industry as well. In its latest new fund offer (NFO), SBI Mutual Fund, the largest fund house in India in terms of money under management, mobilised over Rs 12,000 crore in its Balanced Advantage Fund.

This is the largest ever NFO mobilisation by an equity fund in the mutual fund industry's history. The previous biggest collection was Rs 9,800 crore by ICICI Prudential MF through its Flexi Cap Fund last month.

According to SBI MF executives, it will take a few more days to reconcile and arrive at the final mobilisation figure. Industry sources expect that number to cross Rs 12,500-crore mark.

SBI MF executives said that with the stock market at a record high level, a large number of investors who are not very comfortable investing in stocks have put in their money in the fund. Also there are investors who want a return that is higher than fixed deposit rates, which are at a historical low level.

Industry figures show in July equity NFOs had mobilised Rs 13,709-crore, while the current month's figure is expected to cross that figure. Large NFO collection was one of the reasons for the record Rs 22,584-crore net inflows into equity funds, AMFI officials said ❑

Co-Operative Bank News

RBI cancels licence of Dr Shivajirao Patil Nilangekar Urban Co-op Bank, Latur

The Reserve Bank of India (RBI) said, it has cancelled the licence of Dr Shivajirao Patil Nilangekar Urban Co-operative Bank Ltd, Nilanga, Latur, as it does not have adequate capital and earning prospects.

Also, the Maharashtra-based bank with its current financial position would be unable to pay its depositors in full, the central bank said while announcing cancellation of its licence.

The bank ceases to carry on banking business, with effect from the close of business.

Further, the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra, has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

The RBI said Dr Shivajirao Patil Nilangekar Urban Co-operative Bank does not have adequate capital and earning prospects, and as such, it does not comply with the provisions of the Banking Regulation Act, 1949.

"The continuance of the bank is prejudicial to the interests of its depositors," it said adding that public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

With cancellation of its licence, the bank has been prohibited from conducting the business of 'banking' that includes acceptance of deposits and repayment of deposits with immediate effect.

SC quashed part of amendment on setting up of co-ops

The Supreme Court in a 2:1 majority verdict upheld the validity of the 97th Constitutional amendment that deals with issues related to effective management of cooperative societies but struck down a part related their setting up and functioning.

A bench of Justices R F Nariman, K M Joseph and B R Gavai said, We have struck down part IX B of the Constitution related to cooperative societies but we have saved the amendment.

Justice Nariman said, Justice Joseph has given a partly dissenting verdict and has struck down the entire 97th constitutional amendment.

The 97th constitutional amendment, which dealt with issues related to effective management of co-operative societies in the country was passed by Parliament in December 2011 and had come into effect from February 15, 2012.

The change in the Constitution has amended Article 19(1)(c) to give protection to the cooperatives and inserted Article 43 B and Part IX B, relating to them.

While Article 19(1)(c) guarantees freedom to form association or unions or cooperative societies subject to certain restrictions, Article 43 B says that states shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of cooperative societies.

The Part IX B of the Constitution inserted by 97th amendment deals with incorporation, terms of members of board and its office bearers and effective management of cooperative societies.

The Centre has contended that the provision does not denude states of their power to enact laws with regard to cooperatives.

The apex court's verdict came on the Centre's plea challenging the Gujarat

High Court's 2013 decision striking down certain provisions of the 97th constitutional amendment while holding that Parliament cannot enact laws with regard to cooperative societies as it is a state subject.

The top court also examined a question whether the provision denuded states of their exclusive power to enact laws to deal with management of cooperative societies.

Attorney General K K Venugopal, appearing for the Centre, said the 97th Constitution amendment is not direct or substantial attack on states' powers to enact law with regard to cooperatives.

RBI suggests co-operative bank mergers

An RBI panel has suggested expediting creation of an umbrella organisation to enable small urban cooperative banks (UCBs) to acquire scale by becoming part of a network.

The panel has also said that the RBI should use the route of mandatory mergers to resolve problematic cooperatives and be neutral to voluntary mergers.

The panel has also called for changes in the Banking Regulation Act empowering the RBI to declare securities issued by UCBs as covered under the Securities Contract Regulation Act to facilitate their listing on stock exchanges. These recommendations were made by the expert committee on primary (urban) cooperative banks under the chairmanship of former RBI deputy governor N S Vishwanathan. The RBI had constituted the panel in February to address the issues on regulation of cooperatives.

The panel has suggested a four-tier regulatory structure for UCBs. The level of regulation would depend on their scale of deposits and the capital requirement and regulatory norms would get stringent with size.

Tier-1 would comprise banks with deposits up to Rs 100 crore, tier-2 with deposits between Rs 100 crore and Rs 1,000 crore, tier-3 between Rs 1,000 crore and Rs 10,000 crore, and tier-4 with deposits of over Rs 10,000 crore. The capital adequacy ratio for these banks would be between 9% and 15%, while tier-4 banks with deposits over Rs 10,000 crore would face the same norms as scheduled commercial banks. Besides capital, the extent of loans they can offer under different categories, like gold and home loans, would depend upon their size

CCB wants to emulate PMC Bank

The City Co-operative Bank (CCB) has decided to take a leaf out of the scam-hit Punjab and Maharashtra Co-operative Bank's book and scout for investment/ equity participation for its reconstruction.

CCB has floated an Expression of Interest (EoI) to identify a suitable equity investor/ group of investors willing to take over management control to revive the bank and commence regular day-to-day operations.

The bank has dangled a carrot in front of prospective investor(s), whereby upon commencement of normal day-to-day operations, it will be open for the investor(s) to convert it into a Small Finance Bank (SFB).

V. T. Gokhale, a lawyer and former investment banker, said: "This is a new development coming close on the heels of the "in process" restructuring of PMC Bank.

"It is a sequel to the amendments carried out in the Banking Regulation Act, 1949, last year, which enables a cooperative bank, subject to RBI approval, to raise equity capital by way of public issue or private placement."

Rs 11,500 crore loans for tamilnadu farmers

Tamil Nadu cooperative minister I Periyasamy said the government had set a target to disburse Rs 11,500 crore loans to farmers through cooperative banks during this fiscal.

The government had also plans to increase the share of cooperative banks' loan disbursement to farmers from the present 9.5% to 22-25% in the next five years. He was replying to former cooperative minister Sellur K Raju's claims during the debate on grants for the cooperative department. Periyasamy said the cooperative banks had a farmers' loan share of 15-16% 10 years ago, when the DMK was in power. It deteriorated under the AIADMK regime, he said.

Periyasamy said cooperative societies had enrolled 2.3 lakh new members after the DMK government assumed office. It also disbursed Rs 120 crore loans to the new members. He added that Rs 80 crore had been extended as loans to farmers to take up kuruvai cultivation in the delta districts. It was more than double the amount (Rs 37 crore) disbursed during last year kuruvai 8/26/2021 Tamil Nadu farmers to get Rs 11,500 croreloans,he said. "The CM has made it clear that new members should be given loans," he said. He recalled how the DMK government under M Karunanidhi revived the cooperative banks by waiving farmers' loans to the tune of Rs 7,000 crore. He faulted the previous AIADMK government for constructing 4,000 godowns, but not putting them to use. ❑

Legal Cases

GST only on profit on resale of second-hand jewellery: AAR

Jewellers will have to pay GST only on the profit earned on resale of second-hand gold jewellery, Karnataka AAR has ruled.

The application to the Authority for Advance Ruling (AAR) was filed by Bengaluru-based Aadhya Gold Private Ltd seeking clarity on whether GST is to be paid only on the difference between the selling and purchase price if it purchases used/second- hand gold jewellery from individuals and there is no change in the form/nature of goods at the time of sale.

The Karnataka bench of the AAR observed that GST is payable only on the margin between the sale price and the purchase price, since the applicant was not melting the jewellery to transform it to bullion and then recreating it into new jewellery, but rather cleaning and polishing the old jewellery without changing the form of the jewellery purchased.

Experts said this ruling will reduce the GST payable on resale of second-hand jewellery. Currently, the industry usually charges GST at three per cent rate on the gross sale value received from the purchaser. AMRG & Associates Senior Partner Rajat Mohan said most jewellers procure old jewellery from common man/unregistered dealers, obliviating the need for credit of taxes in the hands of jewellers.

"The Karnataka AAR's decision to charge GST only on the difference between the purchase price and the selling price will have a significant impact on the industry to lower the tax cost to the final consumer," Mohan added.

IBC plan cannot be challenged

The Supreme Court, in the case of India Resurgence ARC Pvt Ltd Vs Amit Metaliks, held that a dissenting secured creditor cannot challenge an approved resolution plan under the Insolvency and Bankruptcy Code (IBC) and insist on a higher amount to be paid to it on the basis of the value of the security interest held by it over the corporate debtor. It was further held that, in the scheme of IBC, every dissatisfaction does not partake the character of a legal grievance and cannot be taken up as a ground of appeal.

Through this Judgment, the SC has confirmed that a dissenting secured creditor cannot challenge a resolution plan approved under the IBC with an argument that higher amount should have been paid to it, in light of the value of the security interest held by it over the corporate debtor, note Netra Nair, Oorja Chari and Simrann Venkkatesan of Vaish Associates Advocates. Writing in Mondaq, the experts note that the apex court, recognising the supremacy of the commercial wisdom of the CoC, has reiterated the limited scope of judicial review and interference in business decisions that fall under the ambit of the commercial wisdom of the CoC.

The SC has rightly upheld the integral principles of IBC that is value maximisation of the assets of the corporate debtor, and insolvency resolution, as against liquidation. The SC has clarified that any entitlement extended to creditors on the basis of the value of security would defeat the purpose of IBC as it would result in the financial creditors dissenting and opting for liquidation as against insolvency resolution, they say.

Appoint HC judges to NCLT: Finance panel

Taking a grim view of the sagging recoveries by the banks and a huge delay in the entire process, the Standing Committee on Finance of the Lok Sabha recommended overhauling the entire IBC (insolvency and bankruptcy code) process, rejecting any bids which comes after the lenders select the highest bidder and appointment of high court judges in the NCLT (National Company Law Tribunal) as judicial members in order to reduce litigation.

In its report, the committee noted that 71 per cent cases are currently pending for more than the mandatory 180 days in the NCLT, which points out the deviation from the original objectives of the code as envisaged by the Parliament. The Indian banks' funds worth Rs 9.2 trillion are currently stuck in the NCLT after they took defaulters to the court under the code.

Asking for a thorough evaluation of the entire process, the committee said it is imperative to have a benchmark for the quantum of haircuts, comparable to the global standards, as the haircuts in many cases are as high as 95 per cent.

On the role of resolution professionals, the committee said a professional self-regulator for RPs that functions like the Institute of Chartered Accountants of India (ICAI) should be put in place. The committee, therefore, recommended that an Institute of Resolution Professionals may be established to oversee and regulate the functioning of RPs so that there are appropriate standards and fair self-regulation.

On the delay at NCLT, the committee noted that the NCLT takes considerable time to admit cases and during this time the company remains under the control of the defaulting owner enabling value shifting, funds diversion, and asset transfers. "The NCLT should accept defaulters within 30 days and transfer control to a resolution process within this time period," the committee recommended.

The committee noted that when the invited bidders are asked to submit their respective resolution plans and when these resolution plans are evaluated by the CoC, suddenly other bidders may emerge and submit their own resolution plans. "These bidders typically wait for the H1 (highest) bidder to become public, and they then seek to exceed this bid through an unsolicited offer that is submitted after the specified deadline. Currently, the CoCs have significant powers to accept late bids and these unsolicited bids create a huge delay," the report said.

The committee, therefore, recommended that the IBC be amended so that no post hoc bids are allowed during the resolution process.

The committee said as the cases decided at the NCLT are litigated at the NCLAT and the SC, it is imperative that the NCLT members should be highly trained and well experienced. "The committee believes that the NCLT judicial members should be at least High Court judges so that the country will benefit from their procedural experience and wisdom.

The report, tabled in the parliament, said financial creditors took 4,356 companies to NCLT under the IBC to recover Rs 6.77 trillion, while the operational creditors moved the court against 8,331 companies to recover their dues worth Rs 78,000 crore. In 266 cases, the companies themselves moved the NCLT after they failed to repay debt worth Rs 52,000 crore.

Re-opening disallowed

The Income Tax Appellate Tribunal has dismissed an appeal filed by the Deputy Commissioner of Income Tax, Mumbai, who wanted to re-open the tax assessment of a corporate assessee, because the assessing officer changed his opinion about the depreciation claim. In doing so, the Tribunal has established the principle that in the absence of any new material, a case cannot be re-opened, merely on the basis of a change of opinion.

Morries Energy of Mumbai, which owns a 1.25 MW wind turbine, claimed 100 per cent depreciation. The claim was examined by the assessing officer and allowed. But he later said that the fact that the wind turbine had not been put to use for 180 days, as required for claiming 100 per cent depreciation, had escaped his attention. He said that the company was entitled to only 50 per cent depreciation.

The company petitioned the Central Income Tax Tribunal, which declared the reassessment invalid, following which the department approached the Appellate Tribunal. The Tribunal said: "It is quite evident that the original return of income stood scrutinised ups 143(3) wherein assessee' claim of depreciation was duly examined by Ld. AO. The claim was allowed after due application of mind. The requisite documents and details were already furnished by the assessee during original assessment proceedings.

However, subsequently, on the basis of existing material as available on record, Ld. AO formed an opinion of escapement of income which was nothing but mere change of opinion. There was no new tangible material which would demonstrate any escapement of income in the hands of the assessee. CIT(A) was quite justified in declaring the reassessment proceedings as invalid. Finding no infirmity in the same, we dismiss the appeal." ❑

Paisabazaar.com Closes its Largest Home Loan Case of Rs. 9.35 Crore

Paisabazaar.com, India's largest digital consumer credit marketplace*, announced today that it has closed its highest online home loan case of Rs 9.35 crore.

The home loan, sourced through the Paisabazaar platform, was disbursed by a leading private bank to a Hyderabad resident.

"Paisabazaar enabled me to compare multiple offers and choose the best. Despite the large amount, I had a great and hassle-free experience", said Nitin Aggarwal**, an entrepreneur from Hyderabad, who took the high-ticket size home loan.

Paisabazaar said, over the years, it has witnessed a growing affinity, across consumer segments, towards using digital mediums to find the right home loan offer. The Paisabazaar platform receives ~10,000 enquiries in a month for Home Loans above Rs. 50 lakh and has closed high-ticket loans in the past as well.

“The high-ticket disbursals are a testimony to both the evolving consumer behaviour and the trust we have gained as the market leader. Buying a home is a crucial life goal for consumers and it's gratifying to be an enabler towards this,” said Naveen Kukreja, CEO & Co-founder, Paisabazaar.com.

Paisbaazaar.com has 20+ active partnerships for home loans across the lending ecosystem, which includes India's largest Banks, NBCFs and HFCs.

“Comparing and choosing the right home loan offer is crucial as it can make a big difference to the overall cost of the loan for consumers. At Paisabazaar, our aim has always been to offer consumers the widest choice through deep partnerships, convenient and transparent processes along with expert advice and assistance,” said Ratan Chaudhary, Business Head, Home Loans, Paisabazaar.com.

Karnataka Chief Minister Inaugurates 11 Branches of Axis Bank, Digitally

Axis Bank, India's third largest private Bank announced the opening of 11 branches in Karnataka, which includes 10 branches in Bangalore city and 1 in Mulki. These branches were digitally inaugurated by Shri. Basavaraj Bommai, Chief Minister of Karnataka, in the presence of Axis Bank representatives Ms. Baisakhi Banerjee - Regional Branch Banking Head, South; Ms. Mummidi Rama - Circle Head, Bangalore and Ms. Jasmine Shetty - Group Head, Government Business Banking - South.

Commenting on the inauguration of the branch, Mr. Ravi Narayanan, Group Executive & Head - Branch Banking, Retail Liabilities and Products, Axis Bank said, "Around 65% of the services offered by our branches are now fully available through our Branch of the Future initiative. Though we continue to upscale our digital products and solutions, we strongly believe that retail branches are an important base for reaching out to our customers. We stand committed to providing superior banking services to cater to their ever-evolving needs.’’

Axis Bank will leverage the branches to reach out to customers, empower them with digital offerings and facilitate services through Axis Pay, Axis Mobile application etc. It will educate and encourage customers to increasingly make use of the digital modes of payments for daily transactions. The branches will cater to all basic banking transactions and also specific needs of customers, offering the entire spectrum of banking products and financial services covering retail and institutional lending.

With the addition of these news branches, Axis Bank will now cater to customers through 181 branches and 1075 ATMs in Bangalore.

Fintech startup, Uni introduces Pay 1/3rd card

Fintech startup, Uni which is aiming to bring a range of differentiated credit products for Indian consumers, today announced the launch of its paylater card Pay 1/3rd. It is India's longest interest-free credit product. The card automatically splits the transactions into 1/3rd allowing consumers to pay their monthly spends in 3 parts over 3 months for NO EXTRA charges. With Pay 1/3rd, Uni aims to intuitively solve the problem of short-term liquidity without burdening consumers with high-interest fees. It also offers customers the flexibility to 'Pay in Full' if they prefer not to pay in parts and in return, customers will enjoy a 1% reward in the form of cashback. Pay 1/3rd was piloted in June 2021 and, in less than two months, has already crossed 10,000 customers. In the next one year, the company is looking to target 1 million customers across India.

Backed by Lightspeed Ventures and Accel India, Uni is one of the few fintech companies in India to raise a significantly large seed round ($18.5Mn) last year in October 2020, while still in stealth mode. The co-founding team consists of seasoned fintech and financial services professionals, Nitin Gupta, Prateek Jindal and Laxmikant Vyas, who have rich experience in building paylater and credit products at PayU, Ola Financial Services and Bajaj Finserv respectively. The team collectively felt the need to develop superior financial products, especially in the paylater space which led them to launch the Pay 1/3rd card.

Commenting on the launch, Nitin Gupta, Founder & CEO, Uni said, "Long term credit period is a felt need. We moved from debit to credit cards as the 40-50 day extension seemed like a smarter solution to our payment needs. However, we believe extending this to 3 months is anything but natural if we want to make credit products more accessible and democratic. We aim to make Pay 1/3rd a lifestyle choice for our consumers. We want to provide utmost convenience and flexibility, and be maniacally focused on making the customer experience richer."

Pay 1/3rd card is designed especially keeping the mobile generation in mind, who want a highly engaging, seamless, and transparent credit product. On Uni, a customer is instantly onboarded and will have complete transparency of their transactions with zero hidden fees. Currently, there is neither a joining fee nor annual charges. On the Pay 1/3rd app, one can track their spending in real-time, get a breakup of the spends made across categories and receive repayment alerts. Powered by Visa, Pay 1/3rd card is accepted at millions of merchants (both online and offline) across the country. The card can be used to order food, groceries, make e-commerce purchases or simply swipe the card at any offline outlet.

Commenting on the launch, T.R. Ramachandran, Group Country Manager, India and South Asia, Visa said, "With over 220 million credit eligible consumers, there is great potential for expanding access to credit through the adoption of innovative, pay later products, especially amongst a rapidly digitizing consumer base. We are excited to partner with Uni on the launch of the Pay 1/3rd card and on its larger mission to democratize credit and drive affordability in India."

In the next 2 months, Uni is also expected to launch a direct bank transfer feature, enabling consumers to even pay their rent and school fees of their children. Consumers will also be able to choose affordable EMI plans if they need longer repayment tenures ranging from 6, 9, 12 to 18+ months. An in-app lifestyle store to redeem reward points is also on the anvil.

Can't pay power bills above Rs. 1k in coins: Court

Can you pay the entire electricity bill in coins? The Additional District Consumer Disputes Forum here, while deciding an interesting case, responded in the negative, if the amount is over Rs1,000. The complainants in this case were willing to pay pending power bills of Rs36,020 through coins of Re1, Rs2,5 and 10, but it was rejected by the judges, clarifying that no one could deposit coins worth over Rs1,000 per day, as per the Coinage Act, 2011.

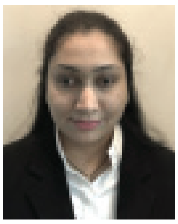
While defending the Maharashtra State Electricity Distribution Company Limited (MSEDCL)'s move to sever power connection of complainant Sandeep Thakre - who runs a grocery shop - and his mother Lakshmi, a bench comprising president Sanjay Patil and member Avinash Prabhune dismissed their demand to pay arrears of Rs36,020 through coins of Rs 1,000/day.

THE NEW- AGE LEADERSHIP STYLE - CONSCIOUS LEADERSHIP!

"Opportunities to find deeper powers within us come when life seems most challenging"

- Joseph Campbell.

The recent times have called for unfathomable transformations everywhere in context of workspaces. The changes that these unforeseen circumstances have brought within each one of us is remarkable. Our workplaces have dynamically shifted. We were forced to adapt to technology in a completely new perspective; which would have otherwise not come into implementation for perhaps a couple of more years. The concept of physical spaces has no longer confined employees; as homes have become multi-purpose; and new niche areas developed within them, defining a workspace.



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The challenge also has been a mammoth one in terms of balancing professionalism in a personal space whilst upholding the unsaid work ethics and expectations. With the intrusion and impingement, it has caused in our lives, getting mentally drained is no surprise.

Working from home (WFH) has developed as a new model of association between businesses and employees, and thus the "new normal". A wide scope has emerged for people who could not work earlier due to being constrained at home owing to critical responsibilities. Just imagine a person unable to work as they needed to be physically in the vicinity of an ailing parent; the lockdown has made space for the same. Although not immediately as we see economies battling with a shock and a recession, the future however does stand bright.

Lockdown has been extending periodically for the past couple of months, which is almost turning into a year now. Innovation and creativity have emerged in all areas related to maintaining productivity and effectiveness in organizations. Leaders have globally designed and come up with a new class of solutions that have evolved leadership to a new high. A new leadership style has emerged that amalgamates the thinking hats of Edward De Bono and the principles of Fayol & Taylor with humanity & the essence of cultivating and nurturing human assets- conscious leadership.

With the virtual world becoming the new area of interaction, the challenges have been multifold. Take a minute to reflect how fun (sarcasm intended) it has been integrating howling & yelling kids, disgruntled spouses, unattended family, and the philosophies of ancient scriptures like Mahabharata and Ramayana or telly-dramas playing in the background with virtual conferences, meetings and client calls. I am sure no one will discount the added work pressures with disappearance of household help& aids.

Conscious Leadership has played a very important role in adapting to the current circumstances and the same is known to each one of us. Our bosses have shared the dilemmas and understood our strifes, while walking hand in hand at maintaining the work pressures that had multiplied. Adapting to the new changes would not have been possible without conscious leaders prominently being the torchbearers.

The Teams who had insensitive and contrary styled leaders as bosses, became more disgruntled and stressed.

The leaders at all the levels, had multifold responsibilities and pressures as they had to bridge the gap and rise to the demands of the pandemic. They managed employee's morale and productivity, ensured effectiveness in solutions designed as well as delivered on the organizational

parameters of bringing in business and sustaining. Conscious leadership that emerged from the adversities and has delivered unparalleled results for the persons holding such posts and assuming such positions. Maintaining the morale of the team and effectively supporting human assets has been the challenge by far, as there have been massive layoffs and restructuring in some of the Organizations.

The forward looking organizations who could sustain, had seen restructuring and transformation in varied plans and pathways, with goals being revised and new targets and milestones set to be achieved. Survival became the new mantra. Staying afloat became the new destination. We see the paradigm shift in the leadership approach altogether. A conscious leadership approach has gained more importance than ever before. Apart from the business numbers, being considerate with human assets has assumed a greater importance.

It is important that you as a leader - no matter at which ever level you are, become more conscious and more resilient & agile to the entire situation. The chaos, confusions and dilemmas caused by the pandemic have added largely to negativity all around. Conscious leaders are being seen to screen themselves and shield their employees from the prevalent negativity and pessimism. The display of inner resilience, serenity and indominable will power has been endearing to watch.

Irrespective of the style of leadership that works for you (autocratic, democratic or a laisse-faire etc.) there are certain notable key characteristics and personality traits that have been identified towards conscious leaders. Basis my observations, I believe that the Characteristics or so to say the qualities of a "Conscious Leadership style stems from the very word "conscious" which also summarizes it wholly as under:

C- caring. Demonstrating a caring approach in sensitive times is critical to well-being. Catering to the varied needs of the team whilst paying specified focus on the emotional requirements and support for employees has been a key differentiator.

O- Open to listening. Ranging from concerns to ideas that the employees may contribute to, having flexibility in work approach, integrating new things, the new normal and the situation overall. Listening had been an important trait, however listening empathetically gained renewed importance.

N - Nice, Noble, Natural. The aspects of being nice and noble in a natural and effortless way was the endearing display of true fortitude. Being sensitive is not a task assigned or a benchmark, it is a basic unit of humane behavior that a conscious leader exhibits at the core.

S- Soft hearted. Softness does not imply being weak or only considering the emotional aspects of human resources. It seeks to stand as being empathetic and providing smart solutions to the constraints that the team may face, as well as preempting the issues that may exist and providing solace for the same. Sometimes, a pat on the back or an encouraging word is all we need to elevate a morale. Times have been difficult, and losses have been personal, the softness and cushioning is thus like an unsaid mandate.

C- Concerned, compassionate and courageous. Being concerned about the mental well-being of employees and exhibiting compassion towards those needs. This approach does call for being courageous to incorporate unprecedented decisions, like work from home, and restructuring targets that was earlier never in consideration but now have been directly implemented and adapted to; rather forced on us.

I-Inclusive & Innovative - in finding different ideas and solutions to the existing challenges. Inclusion being extended to the families and their needs and innovations are demonstrated in finding win-win solutions for all.

O- Optimistic & opportunistic - Figuring out opportunities to get the highest results has always been a key focal point. The pandemic forced leaders to incorporate optimism and positivity in their way of being and being solution oriented. While the loss has been similar, and the circumstances identical, conscious leaders have been finding and creating opportunities and turning things around.

U - Understanding & unbiased - Although being understanding and unbiased has always been in implementation; the current times have called for them becoming a way of life. We were in the same run, with some being more stuck than the others. This brought about an expansion in horizons and an open thought process breaking free from narrow mindsets.

S - Serene - To maneuver the situation, the leader has to be serene and calm. Boils down to how calmly one handles the situation. Laughing in the face of danger while ensuring that being brave does not mean we went looking for trouble, was a difficult equilibrium to achieve.

To conclude, I would like to express that conscious leadership is the futuristic evolution of leadership approach globally. While I strongly hope that the world quickly free's up from the clutches of this deadly pandemic, I look forward to seeing more and more leaders synergizing this new approach with their unique styles of leadership to create a better work environment and valuing humans and humanity at large. ❑

RBI imposes penalties on three co-op banks

The Reserve Bank of India (RBI) imposed monetary penalties on three co-operative banks for violation of rules. These banks are SeyadShariat Finance Limited, Tamil Nadu, Muslim Co-operative Bank, Maharashtra and JijamataMahilaSahakari Bank Maharashtra, the RBI said

The RBI imposed a penalty of Rs 3 lakh on Jijamata bank, Rs 2 lakhs on Muslim Co-operative Bank and Rs 5 lakh on SeyadShariat Bank, the release said. The regulator conducted audits of these banks and the penalties were based on the findings.

In the case of Seyad Bank and Muslim Co-operative Bank, the rule violations pertain to Know Your Customer norms while in the case of Jijamata Co-operative Bank, the violations are related to exposure norms.

The RBI has been cracking down on co-operative banks for violation of rules and poor governance standards. The regulator has cancelled the licences of at least three co-operative banks in the last two years.

HOW WOMEN BANKER BALANCE THE WORK & LIFE IN THE PRESENT BANKING SCENARIO

Banking industry is an emerging industry in India. The menace of work- life imbalance is noticeable in banking industry. Employees in the banks take painful effort to deliver the various needs of its customers. Work deadlines are getting compact and the individual's jobs are loaded and added with quality output. Due to work in pressure, it becomes hard to maintain balance between professional and family life.

The output of the banking sector is dependent on the quality of human resources. The basic function of banker is to facilitate performance improvement, measured in terms of finance indicators of operational efficiency and quality of financial services provided.

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In the present scenario, it is very difficult for everyone to balance the work life & also personal life, especially for women bankers it becomes very difficult. The Banking work scenario is getting more challenging & demanding. When it comes to balancing the work life & personal life, it is even more challenging for women who are working & who also have a strong extended family. Balancing both is very important. When it comes to the conservative mindset, people still believe that women should do all the domestic work & also help the family financially. They work for 24 hours a day, 7 days a week & 365 days a year.

Work/life balance – the ongoing process of striking a balance between one's work or career and the other aspects or demands of life, including family, leisure and personal responsibilities – seems to have become a greater challenge over the years. Enormous-trends are making it more difficult to achieve work/life balance. One factor is technological advancement, which has improved communications tremendously but has blurred the lines between personal time and work time. Another factor is demographic change, as numerous couples struggle to cope with caring for their aging parents on one hand and their children on the other, a situation that places an even greater strain on the growing number of single parents. Amongst all the main sufferers are women as it is their inbuilt feeling that family is their main priority though they are very much in need of earning bread and butter nowadays.

Some of the very important facet of women's life i.e Work Life Balance, their women hood Issues, Traits Needed, Personal Success are all treated as secondary or unimportant.

All must accept the fact that what all men cannot do, women do it properly & carefully. The best part is the consistency. Initially they were helping the man who was working & the bread winner of the family. Slowly, they also took the charge of helping the family on the financial terms. Still they were expected to travel in both the fields which are home & family. This is not only challenging but equally exhausting. The expectations have become more demanding & challenging.

What is work life balance? In the words of Jim Bird, CEO of worklifebalance.com, work-life balance does not mean equal balance between professional and personal life. It is careful synchronisation of an individual's varied pursuits that may include family, work, leisure, social obligations, health, career and spirituality. While some of the pursuits need greater attention, others may require lesser focus. Striking a fine balance by prioritising these human quests will result in work-life balance. It is individual specific and keeps changing over time.

Actually work life balance is meaningfully daily achievement and enjoyment in each of the four quadrants - ***Family, Friends, Self & Work.***

It's a concept which needs proper prioritisation between "work -career & ambition and life style i.e. leisure, pleasure, health, family, spiritual etc. Of course it does not mean that these aspects should be always together in the life of all individuals. Every parameter is important for different individuals and they can be clubbed together in different manner to gain fulfilment in life. If we talk about women then; right of choosing those quadrants for gaining fulfilment does not lies with them independently. Their choice is affected due to various circumstances and that is the main reason of their stress. Women banker being financially independent always does not mean that she is physiologically /emotionally independent too.

Attaining "work-life balance" is not as simple as it sounds. Work-personal life conflict occurs when the burden, obligations and responsibilities of work and family roles become incompatible. Obligation of one can force an individual to neglect the other.

The Double Standard of Work-Life Balance

Traditionally, women have been looked upon as nurturers and care givers and assigned all roles related to maintaining and managing a family. Men perceive themselves as breadwinners and society also expects them to perform workroles to earn and support the family. However, the nature of work-force has been changing and the percentage of men as wage earners and women as housewives has been rapidly declining. In urban India, the percentage of dual-earner couples is gradually increasing and for most women and men today, their work environment and the family have become the two important institutions in life.

Changes in the work force are accompanied by changes in values, creating a new emphasis on the balance between work-life and family life. Work-life balance assumes great significance for women as they are virtually in two full time jobs - one at home and the other at office. Working mothers often have to challenge perceptions and stereotypes that evolve as a working woman becoming a working mother... When a woman seeks a position of power within an organisation, she must consider the toll on other facets of her life, including hobbies, personal relationships and family.

In bank most executive jobs require a substantial amount of time and effort, which a working mother may not be able to devote due to family obligations. So also, it may be nearly impossible for a working mother in a top management position to be the primary care giver of her child. Women often find it more difficult to maintain balance on account of the competing pressures of work and demands at home. Working women have to carefully handle their personal balance and skilfully blend their roles, so as to optimise their potential in all quadrants of life.

Work life balance = Time management + Stress Management

It is important to identify issues related to work life balance of a woman employee of banking industry in India. Most of the studies have been carried out with a focus on various issues and dimensions of personnel administration. HR policies and practices, HR strategies, HR Innovative etc. But there are very few studies with regard to Work life Balance.

The negative effects of an adverse work/life balance include burnout, stress and health problems; it can also take a substantial toll on marital and family relationships. Since these issues can have a significant effect on women employees productivity and output, many progressive organizations are making it a top priority to address the topic of work/life balance, and have put in place policies and procedures aimed at encouraging employees to achieve it.

This is a positive trend, because proper work/life balance benefits everybody: employees, by reducing stress levels and increasing "down time;" employers, by improving productivity, reducing absenteeism and attracting/retaining good employees; and families, which benefit from increased parental involvement and more time with each other.

A Good Work Life Balance Traits

From the above it is clearly evident that all of us need to follow the mentioned attributes & especially for women working in institutions like bank, since they burn more energy than men. Men are more focused on one particular thing at a time. But women are more focused on everything whatever they handle. Multi-tasking comes to them at ease which is difficult for men to follow. The support from all these eight factors is very important.

With revolutionary change in the national percentage of working women and overcoming many inherent disadvantages related to deeply embeded traditional mind-set, it is a moment to feel proud. Today we find women engaged in different types of traditional and non-traditional entrepreneurial or management activities. And with this increasing ratio of female workforce, the importance of work-life balance is also increasing. Many laws are being framed in India now to help women in balancing the work and life. Human resource policies like maternity and paternity leave, Work from home, child care wing (in many corporate), medical facilities etc. helps women manage things.

In India, a woman (however modern, educated or successful) has to perform many roles after marriage. These roles include being a spouse, caretaker and parent, managing daily household chores; providing service to community and society. Women also must take care of their own health and other personal activities, which are often neglected because of role overload as well as limitations. Things have changed in recent times, but not completely. A women has to be educated, beautiful, responsible, understanding and should possess all the super powers. It's a good thing but living up to these expectations puts a lot of stress. All of these situations lead to the absence of Work-Life Balance.

Being a women and a senior banker I was always concerned with the psychological upliftment of the working women especially bankers. In this connection I was constantly talking to female co-workers, working women customers or the female participants who were coming for training in training centres to gather the information related to their actual life style and when I put together their views in "YES" & "NO" with regard to whether they are able to maintain the work life balance or whether their family is supportive to them to maintain the work life balance; the same has come out as under ::

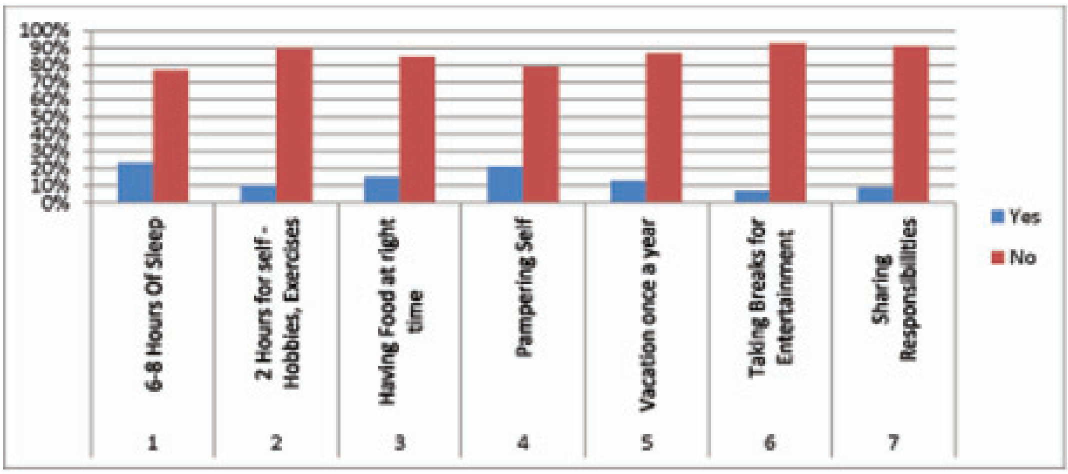
Traits of Work Life Balance which Working Women need to follow

Sno	Work Life Balance Traits	Yes	No
1	6-8 Hours Of Sleep	23%	77%
2	2 Hours for self - Hobbies, Exercises	10%	90%
3	Having Food at right time	15%	85%
4	Pampering Self	21%	79%
5	Vacation once a year	13%	87%
6	Taking Breaks for Entertainment	7%	93%
7	Sharing Responsibilities	9%	91%

The above table represents the essentials which a woman needs to consider. Not everything but the basic seven traits are taken into consideration. This survey was taken among nearly 150 women employees from different banks. Initially they were hesitant but then they opened up. The survey was taken from all the levels in the management. Starting from the entry level management to the senior level management, though the levels change, crisis is the same.

In banking sector, the women are equally paid and having a better stake in the organization. They are in a position to handle more responsibilities at office as well as at home; still they fail to take care of themselves.

Responses From Banking Working Women



The graph clearly shows that women are not so happy with the way things are going on. Still, if we see most of the women undergo the same level of issues when it comes to balancing the work life & personal life. They are expected to do at office & also at home. Many burst out due to the pressure. It goes above the break-even point.

World over there are several studies indicative of 21st Century working women at a threshold of work-life challenge leading to inefficiency and rising cost for the employers. A particular study, put the Indian Working Woman at the highest risk of stress, raising an alarm bell among the banking sector which is increasingly trying to hire more women for good diversity. Accordingly the Indian women felt stressed most of the time, and 82% had no time to relax.

Ironically the survey points a finger at Indian companies and workplaces for creating such condition. There are few issues which are clearly mentioned below.

1) Issues Related to “Her Self”

The DNA of a Woman / Strong “Maternal Instinct”:

In a vast majority of the instances, what made is especially harder for a working mother in India is her own strong “maternal instinct”; which compels her to quit the work and be with her children full-time, or explore flexible work options. As in bank there is no provision of flexible working, ladies are compelled to quit.

Mental Conditioning of a Woman:

For many Indian working bankers, the everyday battles they had to fight were related to their own mental conditioning – which is deeply and directly influenced by the living environment one is a part of. So if you’re parents / spouse / in-laws / community you’re a part of continuously make the point that your first duty as a woman is that of a mother; and that the primary responsibility of a mother is towards your child; then at some point – the mother gives-in; mentally, emotionally and professionally.

Desire / Passion to Work:

In many cases, a lot of women themselves did not have any desire / passion to work; or it is very low. The truth is that Indian women who have built meaningful long term careers had a burning desire / passion to work, and they found ways to make it work! Sure there were career brakes or career breaks; but over a period of time they did manage to build a successful career because of this passion, focus, hard-work, openness, flexibility and dedication.

2) Issues Related to the Women Employee's "Family"

Upbringing:

Interestingly, the first note-worthy observation I made was around how a woman's upbringing made all the difference in her own definition of what is expected of a "mother", her own self-worth and her role at home and in society. All of this determines whether or not she continues to work after becoming a mother. In many instances, the influence of your upbringing can drastically alter your career path once you become a mother.

If your parents / family / friends / people in your immediate network continuously drive home the point (in words, actions and interactions) that "The duty of a mother is only and only towards her children", chances are that you'll end up giving your career the minute you become a mother.

Similarly, if your parents / family / friends / people in your immediate network continuously drive home the point that "The primary responsibility of a man is to earn money, and be treated like royalty within the 4 walls. And that of a woman is to bear and raise children", chances are once you become parents you will compel your spouse to give all her waking time and attention to the role of being a mother. And then the mother's career is just never an option or consideration.

3) Issues Related to "Society"

The society and era we live in:

We call this era the "Kalyug". There's evil everywhere. Lies, Theft, Cheating, Kidnapping, Stealing, Child Sex Abuse, etc. all are part of everyday news: These are indeed not safe times. Simple things like travelling in an auto or any public transport (more so in some cities) is unsafe. Even if you hire staff, reliability is an issue; and many parents don't want to leave children with custody of drivers / nannies – till you're 100% confident. So what does that mean? One parent has to cut-down on work; and be with the child. In majority of the cases, its the mother who is expected to do this. And that does impact her career / professional growth.

4) Issues Related to the "Organization"

Limited Organizational Support during transition phases:

Most working mother's goes through a phase of transition when their children are small and yet to start formal education. During this phase, the most important factor that can make a difference is "flexibility at the work place". While several organizations do provide some level of flexibility to women, and it is high on the priority list for several others – There is a considerable time lag between policy and action. So many working mothers have to make tough choices – which can come at the cost of their child's upbringing or their own professional growth. These career breaks again come at a price in terms of a mothers professional success.

Limited Mentorship / Guidance for working women during transition phases:

Having a "real mentor" can make an ocean of difference in the life and career of working mothers. However, the sad reality of today is that many working mothers have never really had mentors; and so they don't know what it means to have one or what difference a mentor can make in your life. A mentor can provide the much needed ear, shoulder and perspective on how to handle career transitions, career breaks / brakes and also provide a long term career view on how to handle many of the critical career milestones. Working mothers who've handled these situations in the past can make an ocean of difference by just sharing their own personal journey and what worked for them. There are no universal mantras, but many times just knowing that you're not in the boat alone can provide the well needed motivation to keep going – even with the going is rough!

Benefits Of Work Life Balance ::

The employees and employers need to manage well both personal and job related stress. If this strategy is managed it can surely reap the following benefits:

- There will be a reduction in absenteeism rates.
- Work life balance paves a way for increased employee morale and commitment.
- It helps in reduction in stress and improved productivity
- Try to delegate tasks not only at office, but at home as well
- Learn to say NO when needed
- Do not leave your self-esteem at any cost
- Try doing the following
    - o NO Kitchen for one day a month
    - o Compulsory walking for 30 mins [either morning or evening]
    - o No to leave big breaks between breakfast & lunch or lunch & dinner
    - o Having nutritious food daily
    - o Spending 10 minutes for self
- Making spouse & children understand your value & how much you contribute for the family
- Reconnecting with some old friends & having a small trip with them
- Having conducive relationship with spouse
- Proper Financial Planning

If women try to do some of these, they can have a better integration than anyone. Resilience is one of the greatest strengths of a women so to attain a proper work life balance try to adopt following ::

1. Prioritise your daily chore ::

If you want to be a successful working woman, it's important to have your priorities in order — both personal and professional. Keep on asking questions to yourself - to figure out your responsibilities at different levels. What can't be compromised or is completely non-negotiable? What are those tasks you must figure out and the ones that can be just good enough? What are the most-important commitments at work and family? Getting clear on these answers will help you prioritize, make adjustments and decide what you are and are not prepared to do.

2. Continuous and clear communication with employer ::

It's beneficial to keep continuous communication with your superiors and HR. Be hundred percent honest and transparent. Let's say you can't reach office on time because you have to attained PTM at your kid's school, they can help you out by keeping your work hours flexible. If that's a problem, be prepared with alternative solutions to show how the arrangement won't affect your performance and productivity.

3. Learn the art of delegation

There's nothing wrong in accepting that you can't do everything on your own and a little help could ease your enormous workload. Since primitive days the thought of being like "Dashobhuja" was in the back of every women's mind. Each and every daily soap in Indian television depicts a GOOD WOMAN who is doing everything by her own; inside or outside, so get rid of this type of thoughts or discard such shows which provoke such thoughts that if you do everything then only you are honorable and acceptable.

By doing everything, you're not only fatiguing your body but also preparing it for a breakdown in the future. Decide what you must do yourself and what others can take care of. Seek help from coworkers, spouse, and family members. You and your spouse can divide tasks in such a way that either of you don't dread coming to home after a long working day at office.

4. Use technology for staying connected with your family

Thanks to technology that knowing the well-being and whereabouts of your loved ones isn't a challenge anymore. All working mothers can easily stay connected with their children while they are working at office. If you're missing your kids, you can make a phone call or even a video call during your lunchbreak and focus on work without any stress or tensions at the backend. This comforts the child that you're near and also helps you get through a rough day at work.

5. Limit distractions and time-wasters

When you are a working woman, every minute is crucial —

at work and home. You would be astonished to know that distractions at workplace can cost you hours per day. If you want to be focused and productive, it's essential to keep chatty coworkers, casual internet surfing, smartphones, and other distractions aloof. Set specific time limits to address emails and phone usage. At home, avoid watching too much of TV and instead, you can use that time to strengthen your bond with your partner and kids.

6. Understanding the difference of work and home

Most of the motivational books and preaching tells us how to say NO to things that don't align with your priorities. Believe me, it is the biggest mantra to successfully juggle your personal and professional life. Learn to set boundaries so that you can give your heart and soul to both the aspects of life. Leave work at work, don't come home with it.

While spending time with your kids and partner, don't be on the phone sending emails or discussing work with coworkers. Be mindful of your personal relationships and start saying no to things that aren't doing any good to us.

7. The balancing act of working moms

All through these years it has been realized that maintaining work-life balance requires constant adjustments, compromises, and sacrifices.

It's better to be prepared and learn to make the most of your time and energy. The more you know yourself and your priorities the more balanced your life would be.

8. Give immense importance to yourself ::

Making out some time to do things you actually love is the secret to maintain a perfect work-life balance. Sometimes, it's okay to think about yourself, have some leisure time and pamper yourself.

Go to a spa, get a massage, watch reruns of your favorite TV series, read a book, travel solo, or just do nothing at all. Learn to take care of yourself because only then you would be able to take care of your family and your work.

The Bottom Line

While maintaining work-life balance is a challenge for most women in the banking sector, where working long hours is the norm, employers need to foster a culture of work-life balance to attract and retain talented employees. The negative effects of an adverse work-life balance include burnout, stress, health problems and the breakdown of marital and family relationships. Conversely, the positive effects of a healthy work-life balance include higher productivity, lower absenteeism and decreased employee turnover, thereby benefiting all parties involved – employees, employers and families.

Conclusion:

To conclude, integration of work & life is so important. But we do not give importance to it. Women are the back bone for any family. If that fails, the entire system fails. Women have all the abilities which she should project at the right time & fight for her rights when it is needed. Family is important. At the same time, societal status is also equally important. Growth in the organization is very much needed for women as well. Making the support system strong is only in the hands of women. ❑

RBI puts digital payment mode on hold

A plan to allow new entities to create digital payment platforms and end the National Payments Council of India's (NPCI) dominance in online transactions has been put on hold by the regulator over data safety concerns, two people directly aware of the development said. At least six consortiums, including those led by Amazon, Google, Facebook and the Tata group, applied for the so-called new umbrella entities (NUEs) licences, in partnership with companies such as Reliance Industries Ltd and ICICI Bank Ltd after the Reserve Bank of India (RBI) invited expressions of interest last year.

THE FUTURE OF ARTIFICIAL INTELLIGENCE IN BANKS

As per the World Economic Forum's latest research, artificial intelligence is already changing the way financial institutions provide more contextualised services to their customers and the banking is no exception. Future customer experiences will be centred on AI. Where every financial institution is competing for diversity of data, managing partnerships with competitors and potential competitors will be critical and will require careful handling.

The Rise of AI in Banking

Strong and speedy process, advent of mobile technology, data accessibility, and spread of open-source software offer AI a huge opportunity in the banking sector. Though AI has been deployed in banking for many years; it remained unnoticed. In the intense app-driven world, the banking sector eyes on leveraging with the assistance of mobile app development companies.

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Digital personal assistants and chatbots have transformed the customer services and business communication. From aiding individuals in carrying out daily tasks and giving them a customized experience, virtual assistants and chatbots have many applications. Taking a view of the banking sector, mobile app development services can integrate the AI technology for enhancing services.

Data regarding financial transaction can help the bank understand the collection & expenditure pattern of the customer. The bank can come up with a customized plan accordingly and assist the customers for budgeting and other treasury functions including Credit facilities, Fund Management & Supply Chain Finance. What's an additional thing bank can send the notification about the advice for keeping a check on the expenses and investments based on the data.

Artificial Intelligence based report generation can be used as a tool for better monitoring of transactions by company's management. Special reports can be generated based on customers' general payment pattern, which will highlight unusual transactions in terms of amount, beneficiary, payment schedule etc. These reports can be used by Top Management of the company to take informed decision.

The use of artificial intelligence (AI) has been gathering momentum in the Banking sector. Even in 2010, Spanish Banking group Santander had introduced autonomous robots for customer assistance. Another recent example is UAE-based Emirates NBD, which announced AI robots to interact with customers.

In one of the leading banks, cheque authentication today is mostly done not by a human teller, but by an artificial intelligence (AI) system. It has multiple advantages. When someone tries to forge a signature, there are minute fissures, blots or anomalies that may not be visible to the human eye but will become glaringly obvious to a trained bot (software robot). And if the account holder signs in hurry and it's not quite the same as in the bank's system, the bot understands it's actually a genuine signature. Only in instances wherever old age or disability has altered a person's signature significantly does the bot pass on the query to others.

These days, Indian banks are prominently deploying the chatbots. SBI has also deployed SIA (SBI Intelligent Assistant), artificial intelligence-powered software that has the capability to respond to 850 million queries a day, making it the largest-financial sector AI solution in the world. SIA is a multilingual chatbot which can respond in 14 languages in speech or text. It will enhance the level of customer service by several notches.

ICICI Bank's AI-powered virtual personal assistant iPal, today addresses over 1.5 million queries a month. The bot answers questions, can also pay bills, do fund transfers or recharge your mobile on your behalf. The bot can also handle complex queries on GST, government digital initiatives, service requests, ATM locations, branch details and IFSC codes.

Bots are also programmed to adjust for human error. Like for a person wanting to 'recharge', the bot will even accept text variations like 'recharg', 'rchrg', 'recharge', 'refill', 'add balance', 'load mobile', and 'top up'. HDFC Bank's e-virtual assistant "Eva" has been programmed to figure with multiple channels, e.g. the bank's website, app, Google Assistant and Alexa. Eva similar to so many other chatbots follows the industry norm in being female - can handle 7,500 FAQs and has till date had more than 16 million conversations. She has been integrated with online travel aggregators and service providers, so she can book bus tickets or chart out trips for customers.

Kotak Mahindra Bank's "Keya" can talk in both English and Hindi. It can recognise customer intent in 75% of cases and can independently conclude over 11% of all calls serviced by the voicebot without any human intervention.

Globally, banking industry is the biggest consumer of technology and among the fastest adopters of new technology. Indian banks are no exception. For them, AI is both about scale (for a large number of retail customers needing a common solution) and about customisation (for corporate customers having specific requirements). AI is being employed across divisions - in reconciliation (ATM reconciliation where balances are settled between different banks and their ATM networks when one bank customer uses another bank's ATM), in treasury (to predict the possible direction of India's bond market based on historical data), in fund management (for more data driven, parameters-set trading for wealth management clients), in fraud management (to prevent identity theft, money laundering using deposits or loan fraud) and in regulatory compliance (to assist bank employees, who may not know the entire labyrinth of rules and regulations the RBI has for banks).

In recent times, there has been a lot of buzz on deploying artificial intelligence-based software or a virtual workforce to bring efficiency in operations while reducing operations

headcount, error rate, time-frames and increasing throughput in number of clients being on-boarded e.g.

1. Automating basic rules for determining client classification type using Artificial Intelligence for regulatory norms such as KYC, FATCA,etc.
2. Contributing in credit and legal steps like preparing a credit report and drafting legal documents.
3. Account-setup/modification process involves client data being entered in a number of systems. This can be done by a software robot equipped with Artificial Intelligence.

Business Benefits for Banks in deploying AI software -

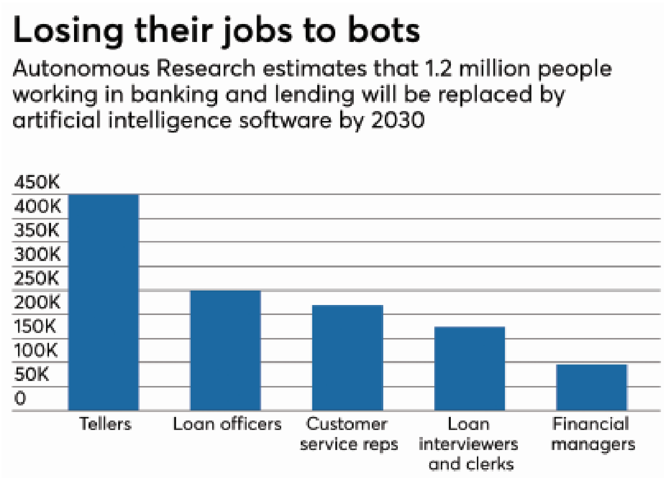
- Direct headcount reduction through automating manual processes
- Error free business operations
- Higher process efficiency& speed
- Initial capital expenditure but reduced expenditure over a period of time

While Artificial Intelligence has several benefits, there are also a few disadvantages. These softwares may operate in the background or even deep background like internet spiders. This implies that there must be ways to closely monitor these activities that are as transparent as possible. No network is invulnerable, and security may be a major concern for each financial institution. A wide implementation of a high-end technology like AI in India is going to be with a lot of challenges. From the dearth of a credible and quality data to India's diverse language set, experts believe a variety of challenges exist for the Indian banking sector using AI.

One of the key challenges is the availability of the accurate data. Data is the essence of Artificial Intelligence, and any susceptibility arising from unverified information is a serious concern for businesses. Imagine for instance, the risks that could arise from KYC compliance AI systems if the data sources are incorrect. Or contemplate the efficacy of a fraud detection AI system without the right kind of data. Organized mechanisms for gathering, validating, standardizing, correlating, archiving and distributing AI relevant data is vital.

India has 150+ languages with sizable spoken population. Applications that use speech to text or text to speech rely on natural language processing (NLP) libraries and techniques. Banks can use the prevailing technologies to start with to support some major Indian languages, however in order to efficiently reach out to extensive population in India; much more advancement is needed on NLP front.

Data access and information privacy is a central aspect of any AI work banks do. These aspects will be of paramount importance with introduction of regulations in Europe like GDPR (GeneralData Protection Regulation). GDPR regulation is currently applicable to European citizens; however India and other countries have their own data privacy regulations. Banks in India will have to build AI systems with GDPR and similar privacy regulations in mind.



Experts have also stressed the necessity for more skilled engineers to drive the segment. The biggest challenge is the dearth of trained human resources; the existing workforce is not familiar with latest tools and applications. Secondly, the AI technology is an immense threat to redundant workforces in the banking sector. The mass implementation of AI may cause a crucialun employment problem in the sector.

One of the significant challenges that is faced by Industry and not just banks in India is unavailability of people with right data science skills. With only insignificant number of good data scientists available to do AI work, the industry needs to work with universities in India to develop skilled data scientists as well as develop internal training programs to train workforces on data science skills. Also, identification of right use cases for AI implementation with the help of domain experts and data scientists can help banks in successful execution of AI technologies for banking functions.

Whenever the discussion around AI is brought up, there are concerns that this embrace of intelligence technology could lead to job losses across the industry. During the World Economic Forum's (WEF) annual conference in Davos, it was predicted that the rise of robots and AI could lead to the loss of 5.1m jobs over the next five years in countries including Australia, UK and US. Legal, business and financial operations were all name-checked by the WEF as sectors that would be affected by this.

Even so, the benefits outweigh the disadvantages. That is why artificial intelligence software is an essential tool in the financial industry. It improves the standard of customer service and administration while lowering cost and provides a competitive advantage in an increasingly competitive industry.

Conclusion

The augmented competition comes up with an opportunity for the service providers to take more risks and emphasise on and experiment with technological leaps. Those establishments that can take risks and escape the adverse impact associated with these new technologies would have a strong advantage over their competitors in terms of expanding their consumer-base and becoming the front runner in the Indian and the global scenario.

It can be assumed that technology, especially Artificial Intelligence, constitute a significant element of the Indian Banking sector, given its reassurance of refined and extended customer satisfaction, operational digitization, minimising cyber risks, and transaction transparency for improved customer-relations.

Artificial Intelligence is in the beginning stage and there is lot of scope for deployment of these softwares in various Banking jobs in the coming years.

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FM discusses key areas of cooperation for recovery of BRICS

Finance Minister NirmalaSitharaman discussed with her BRICS counterparts the key areas of cooperation that would be crucial in supporting recovery of the grouping's economies and maintaining macroeconomic stability, while protecting against future uncertainties posed by the COVID-19 pandemic. She highlighted that BRICS (Brazil, Russia, India, China and South Africa) has been playing and will continue to play a crucial role in dealing with crises such as the pandemic.

Sitharaman virtually chaired the second meeting of BRICS Finance Ministers and Central Bank Governors (FMCBG) along with Reserve Bank of India (RBI) Governor Shaktikanta Das under the Indian BRICS Chairship, a finance ministry statement said.

During the meeting, the FMCBGs endorsed the BRICS Finance Ministers and Central Bank Governors Statement on Global Economic Outlook and Responding to COVID-19 Crisis with an annexure on snapshot of policy experiences of member countries in dealing with the economic impact of the pandemic, it said.

Sitharaman, as the chair, remarked that India attaches great significance to presenting this statement before the global community since it unanimously voices the view of BRICS countries on the critical aspects underpinning current international policy conversations on post pandemic recovery.

A 'Technical Report on Social Infrastructure: Financing and Use of Digital Technologies' was also endorsed, it said.This report is an exercise towards collaborative knowledge sharing between BRICS economies on social infrastructure, including on how the governments have leveraged digital technologies to enhance access and improve service delivery, especially in the health and education sectors.

The BRICS finance ministers also welcomed the conclusion of negotiations on the text of Cooperation and Mutual Administrative Assistance (CMAA) in customs matters, along with deliberating progress made on other customs related issues.

NEW AGE CUSTOMERS - BUILDING THE DIGITAL CAPABILITIES

Introduction

Consumer markets in India are expected to reap the benefit of favourable macroeconomic parameters as well as its demographics. India is one of the youngest major countries globally and has become one of the major flag bearers of development across the globe. The budding generation of these new age customers are breaking into the workforce, heavily influencing the world around them. Their influence also defines how they are perceived, so that organizations can try to understand how to engage them. The influence they wield have created economic effects and impacted the Banking & Financial Sectors also.

New age customers now enjoy a sense of disposable income and self-reliance. They grew up with increased access to information and consequently will be the best educated and most informed consumers. Banks are poised strategically to take advantage of the opportunities this generation offers. Due to rapid penetration of Internet in India and with access to information, they are ready to drive the banking industry onto a whole new track in the near future.

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Trend, Behaviours and Expectations

New Age Customers, also known as Generation Y or 'Gen Y' in short, are a population group in the age bracket of 18-35 yearsand also known as millennials. India is having the largest millennial population in absolute terms globally. Having a population of over 44 crores, the group constitutes nearly 34% to the country's total population and chief wage earners in the household in India.

They manage to seek financial advice from independent research, rather than choosing professional help. Many Banks today have not optimized resources to secure these client's trust. The individualistic and sardonic attitude of many customers translates into a cynical view on big banks and financial wellness. New financial advising and education could be a big opportunity now.

Here are few perception patterns to understand the behaviours, habits, life-needs and expectations of these customers from their Banks.

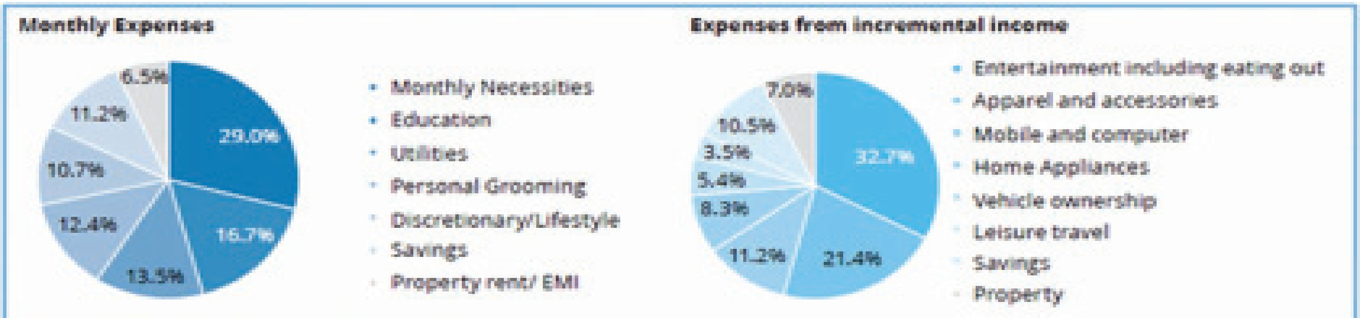
- **More alike:** New Age Customers have had different experiences than their parents and grandparents. As they have faced different challenges than their predecessors, from a financial standpoint, many are behind from where they are supposed to be.
- **The beginning:** They are just entering the job market have many financial questions and few places to find answers. Many have not yet formed a strong affinity for their current Banks. Though they demonstrate some general satisfaction with day-to-day services, many do not think banks fully appreciate their needs, perspectives, and motivations.
- **Balancing Branch Preferences and Digital Expectations:** Like older consumers, new age customers still want access to a bank branch. As per a study, today's customers are more likely than older consumers to leave their primary bank for new one. They assume that a bank will offer new channel for digital access to accounts and old ones will also remain available. If an institution's digital access is poor or virtually non-existent, that will count heavily against it.
- **Design Rules the World:** New age customers are the most active age group using social media for communication. They prefer a tutorial on the internet or contact the company online, instead of calling support.
- **Total Transparency:** They have got a different attitude towards privacy and used to share private information. They like easy registration and services than time-wasting secured forms.
- **Disrupting Media:** New age customers are the most insistent critics, not forgiving brand name for conceit, deceit and neglect. The news of bad service today spreads quickly. In practice, they do not mind speaking publicly about their user experience.
- **Socially Responsible:** They understand the meaning of life and they are therefore more focused on human values. And at the same time, they are incredibly pragmatic. Mere marketing promises does not work with this younger consumer. Banks will have to answer for their words and to show the meaning of their existence.
- **Expecting Dialogue:** Banks of the future should be open for dialogue. The feedbacks collected and smartly processed become a valuable source of business insight for development and improvement.
- **Omni-Digital:** Today, the customers prefer to use digital channels to solve their problems. According to a report, 46% of bank customers interact with their Banks digitally. Therefore, to attract the New Age Customers, we need to engage them not only by its resources (e.g. Apps or Website), but also by the platforms that are typical to customers, such as Google, Apple, Facebook and Amazon (GAFA).
- **The service must be built around the Consumer:** New Age Customers prefer to spend money on the impressions, not on the things. The design of every touchpoint must be verified and justified for a better customer experience.

They focus on digital interactions and personalized experience and it has become important factor for banks to consider.It is the only way banks can create something valuable for their customers and survive in the age of disruption.

Driving shift in consumption

New Age Customers are driving the shift towards consumption economy. With their low tendency towards savings and increasing spending capacity, provide brands with immense opportunities. It is imperative for banks to understand the mind-set and spending pattern of these young customers and offer the right set of products/services to them.

Key characteristics of the evolving customer's needs:



Source: Deloitte Database (Thomson One) and Analysis

1. **Importance of convenience -** Time and convenience is of essence for the working younger generation. Having hassle-free and varied digital channels, collaborating with other market leaders and providing the digital solution is the best way to gain the trust of these young customers.

2. **Value delivered by the brand -** These young customers don't stick with brands. They search hundreds of the same offers online, evaluate them with ratings and reviews, and choose the most suitable one. Organisations that clearly define the source of their materials or establish work done for a specific cause tend to strike a chord.

3. **Need for personalization -** Aesthetic aspects are being given more importance than core functional aspect and hence personalization is gaining focus for these young customers.

What they want from Banks?

Banks want to be active and adapt to their unique set of preference as they change across offer, occasion and time. For the finance industry to truly succeed and stay relevant for these customers, they will need to tackle and own the following key themes:

❖ **They want some help, but banks are not top of mind:** When thinking about long-term goals, these customers might not have the knowledge to get where they want to go. They would look to Banks/FIs to provide this support. But are we prepared?

❖ **Focus on Perks:** They want banking products and services that offer a little extra bang for their buck. (e.g. Better rewards, higher interest rate on deposit accounts, cash-back on purchases and no-fee banking).

❖ **It'snot about the Bank/Bank's product:** They think about their needs, not Bank's products. Banks need to consider how their products may serve their aspirations. Some ideas to consider:

◆ Keep it simple: Allow moments to happen smoothly, coexisting with third parties to make transactions as seamless as possible across a multitude of platforms (e.g., mobile, online). Don't overstep; be there only when they ask for help.

◆ Address a pain point. Understand the life-need journey from the customer's point of view and consider touch points as opportunities to solve issues and remove complications.

◆ Help guide the journey. In most cases, there is lead time between the identification of a need and its actual fulfilment. We need to be with customers along the way and help them focus on the goal.

Turn new age customers into lifelong customers

1. By understanding the Trend, Behaviours and Expectations

A. **The post-channel experience:** Banks need to design customer experiences that are unleashed from channel thinking; what we know as "post-channel" experiences. These experiences should be continuous and intuitively guided by the customer across all endpoints of their journey.

B. **Allow customers to design their own journeys:** Provide flexible options so customers can drive their own journeys. Leverage data intelligence to allow customers to interact and fulfil their needs on their own timeline in their own way.

C. **Reinvent the Branch:** They love experiences and

they want to make memories in everything they do - even if it's just a trip to the Bank. In order to make banking fun, Banks must gamify the experience and offer appropriate rewards.

D. **Become A Trusted Advisor:** Financial advising is becoming the hallmark of today's service. Banks/FIs will have more opportunities to build relationships with the new age customers and do what they do best and that is"provide financial advice".

E. **Access to the talent and skills:** If the Bank officials (technical/non-technical) do not have the skills needed to build and operate an effective digital channel offerings, we need to build the human capital strategy through revitalised recruitment, learning and development, partnering and cultural initiatives.

F. **Protect privacy:** Customers must feel their information will be used to benefit them. If protecting the information is handled poorly, privacy violations could invite a heavy-handed regulatory response. Banks/FIs will need strong operational controls in place so that data is not being misused.

2. By building the technological/digital capabilities

A report estimates digital payments industry in India to touch $500 billion by 2020 spurred by smartphone penetration. With the growing acceptance of P2P, Banks need to provide innovative services that complement their existing online bill pay and money transfer services.

Here are some tips for success.

A. **Embrace Online/Mobile solution:** 84% of young customers in India already reliant on mobile broadband, spending an average of 17 hours a week glued online. They want banks to meet their 24X7 digital demands with the automation and speed. They expect traditional branchservices, like depositing cheques, opening account etc. to be available on their smartphones. Banks need to be agile and ready to move with rapid innovation in the payments space as well as greater integration of banking services with other apps and services.

B. **Adoption of emerging Technologies:** Banks need to incorporate new technologies like Artificial Intelligence (AI) and Machine Learning (ML), Analytics, Distributed Ledger & Blockchain Technology, Cloud computing, Internet of Things (IoT), Augmented Reality (AR) and Virtual Reality (VR), Quantum Computing and Biometrics to efficiently meet the today's customer needs,such as Biometrics-enabled customer identification, Paperless/Signature-less account opening service, AI powered virtual assistant to answer the questions etc.

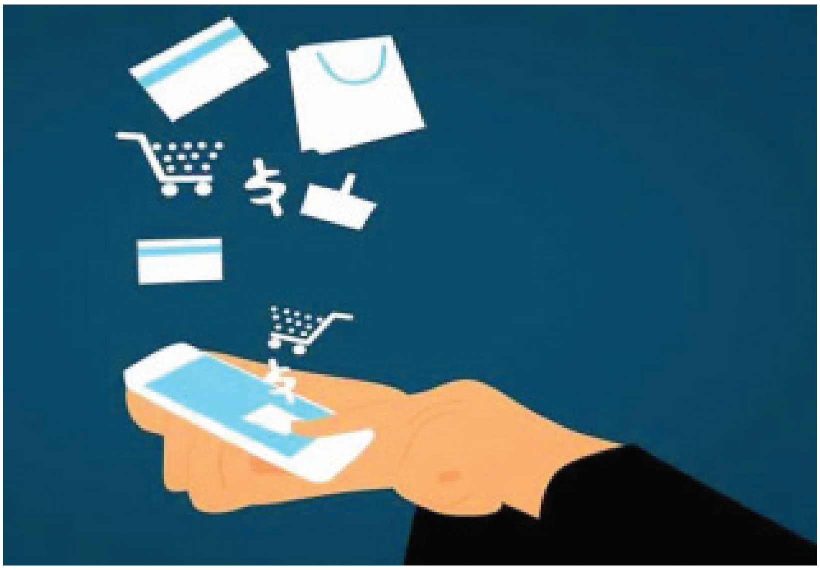
C. **Personalize using AI/Analytics:** AI,Big data and analytics need to be leveraged to extract insights into how customers' lives are changing and predict what they want even before they know what they want. Banks need to use these insights to personalize messages and offers and create highly targeted cross-selling offers.

D. **The future of interactions:** A menu with a host of generic services may not be enough to lure them; they would need a focused set of highly relevant services designed exclusive for them. Banks to work on this.Talking to a bank and receiving an intelligent personalized response is possible through AI. It uses natural language for both queries & answers and can complete its analysis in seconds.

Conclusion

The new age customers are influenced by the culture and world developing around them. The changing social dynamics and technology have a profound effect on their beliefs and actions. To dismiss them as simply arrogant, lazy, or over-opinionated neglects what makes them special and different from other generations. This group will challenge, expect more and desire a better idea for how to live in. Banks they have built relationships with today will be the ones they are loyal to tomorrow. Banks need to urgently respond to the needs of the trend setting young customers, to truly redefine the consumer story across the country and realize the market's potential in its entirety. Ignoring them may well lead to the demise of our brand. ❑

OPEN BANKING IN INDIA



Open banking is defined as the sharing and leveraging of customer-permissioned data by banks with third party developers and firms to build applications and services, including for example those that provide real-time payments, greater financial transparency options for account holders, marketing, cross-selling opportunities. Individuals jurisdictions may define open banking differently.

Technology has connected the entire world. Through the internet connections and electronic gadgets the reach to information, services and products has become child's play. The innovative technology has enabled the banks and the financial institutions the access the untouched market segments, people which remained unreachable. In the recent years, technology driven modes of financing, new financial business models, specialized financial services and products are emerging and driving Fin Tech innovation in areas such as P2P lending, wealth management, micro finance, smart contract, artificial Intelligence, machine learning based decision analysis systems and robo-advisory, etc. and have started to shape the regulatory engagements and discourse. Integral to this discourse are the issues concerning data sharing, data access and to a large extent data democratization.

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In addition to the extensive focus on payments channels and transaction, accessing the financial data of the consumers is also looked on. Digital exchange of financial data can become the building block for new emerging service models, clearing inefficiencies in the process and venturing new product possibilities. Thus regulators acknowledge that enabling a simplified framework for the financial information data exchange has the potential to transform the financial systems and may lead to product innovation and provide better financial services to the consumers and end users. Therefore, the financial data access and distribution has significant implications not only for the concerned stakeholder institutions but also for future economic growth.

The Basel committee on Banking Supervision, November 2019, study report has observed that while sharing of bank-held , customer-permissioned data with third parties has been taking place for several years, increased used of digital devices and rapidly advancing data aggregation techniques are transforming retail banking services across the globe. This sharing of customer-permissioned data by banks with third parties is leveraged to build applications and services that provide faster and easier payments, greater financial transparency and options for account holders, new and improved account services, as well as additional marketing and cross-selling opportunities.

Such initiatives also raise the issue of whether financial institutions as holders of data of individual customers should act only as agents and whether they should have ownership stake driven by commercial considerations. It is quite clear that the right to data accessibility and uses should vest in the owners of data rather than the holders of data. Apart from this data democratisation, there are major concerns around transportation and storage of data in safe and secured manner enveloped within a consent-based architecture. Different jurisdictions are currently trying to address this need for a framework that allows efficient and secure navigation and enables use of customer's financial data through different methods ; for example, by allowing use of open API frameworks within financial institution's user applications. In India, we too have envisioned a similar ecosystem of account aggregators (AAs) to broaden the scope of financial data sharing.

Globally, open banking regulatory frameworks are structured to enable third party access to customer-permissioned data, requiring licensing or authorization of third parties, and implementing data privacy and disclosure and consent requirements. Some frameworks may also contain provisions related to whether third parties can share and/or resell data onward to "fourth parties", use the data for purposes beyond the customer's original consent and to whether banks or third parties could be remunerated for sharing data. Open banking frameworks may also contain expectations or requirements on data storage and security.

India has kick started its approach to Open Banking by enabling an intermediary which will be responsible for the customer's consent management. These intermediaries are licensed as Non-Banking Financial Companies. In September 2016, Reserve Bank Of India , announced creation of a new licensed entity called Account Aggregator (AA) and allowed them to consolidate financial information of a customer held with different d financial entities, spread across financial sector regulators. In India, AA acts as an intermediary between Financial Information Provider (FIP) such as bank, banking company, non-banking financial company, asset management company, depository, depository participant, insurance company, insurance repository, pension fund etc., and Financial Information User (FIU) which are entities registered with and regulated by any financial sector regulator. The flow of information takes place through appropriate Application Programming Interfaces (APIs).

The transfer of such information is based on an explicit consent of the customer and with appropriate agreements/ authorizations between the AA, the customer, and the financial information providers. Data cannot be stored by the aggregator or used by it for any other purpose. Explicit and robust data security and customer grievance redressal mechanisms have been prescribed and the Account Aggregators are not permitted to undertake any other activity, primarily to protect the customer's interest.

Consent Based Architecture

The emphasis of regulatory framework for account aggregators in India is thus on explicit customer consent for data sharing. No financial information of the customer is to be retrieved, shared, or transferred without the explicit consent of the customer. The other tenets of these open banking initiatives in India are - financial data integrity, security and confidentiality, robust IT governance & controls, and strong customer protection & grievance redressal mechanisms. Further, in order to facilitate seamless movement of data and consent-based sharing of financial information in the AA ecosystem, a set of core technical specifications have been framed by Reserve Bank Information Technology Private Limited (ReBIT), a Wholly owned subsidiary of the Reserve Bank for adoption by all regulated entities, acting either as Financial Information Providers (FIP) or Financial Information Users (FIU) in November 2019.

In order to protect critical financial information of users and to enforce a mechanism for obtaining proper consent from customers, the consent of the customer to be obtained by the Account Aggregator shall be standardized electronic consent format as prescribed under regulations. The AA is required to inform the customer of all necessary attributes to be contained in the consent format and the rights of the customer to file complaints. The customers are also provided a functionality to revoke consent post which a fresh consent would have to be obtained. Explicit onus has also been placed on Financial Information Provider (FIP) to verify - validity of the consent, specified date and use of it and the credentials of the AA.

Different jurisdictions have taken a different approach on the issue of Open Banking. While some have adopted a prescriptive approach, requiring banks to share customer-permissioned data and requiring third party users to register with regulatory authorities, others have taken a facilitative approach by issuing guidance and recommended standards, and releasing open API standards and technical specifications. Some jurisdictions also appear to be following a market-driven approach, currently having no explicit rules or guidance.

The AA is a regulatory initiative in India under a hybrid model which is a combination of perspective & facilitative approaches and is in its early stages of development. One of the key things to look out for is whether the market forces will drive the adoption of this initiative or further regulatory nudge will be required. The pace of adoption will also depend on the strength of the community to come together and continue to drive the technical specifications standards and scalability potential.

Risk Associated with Open Banking

Open banking may offer benefits in the form of convenient access to financial data and services to consumers and streamlining some costs for financial institutions. However, it also potentially poses significant risks and concerns around:

❖ **Financial privacy and data security :** In open banking frameworks, risks associated with the loss or theft of personal data on account of poor security, data protection violations, money laundering and terrorist financing concerns cannot be ruled out. Therefore large scale adoption of open banking frameworks should ideally be preceded by strong data protection and privacy laws. Such laws should anchor the ownership rights and ensure control and consent-based ose of the data. They should also establish the boundaries of rights and obligations of third-party use, down-streaming of data to fourth parties and reselling it. India has already embarked upon the same and The Personal Data Protection Bill, 2019 has already been introduced. The Bill seeks to provide for protection of personal data of individuals and establishes Data Protection Authority for the same.

❖ **Customer liability :** In absence of explicit arrangements for redressal of customer grievances and limiting their liability in case of erroneous or fraudulent activity, the acceptability of open banking frameworks may remain limited. Therefore, the jurisdictions should look to address customer liability for third party access of data through customer protection are indemnity laws. Reserve Bank has issued Charter of Customer Rights in December 2014, which lists 'right to privacy' along with 'right to grievance redress and compensation' among others. the right to privacy requires that customer's personal information should be kept confidential unless they have offered specific consent the financial services provider or such information is required to be provided under the law or it is provided for a mandated business purposes.

❖ **Cyber security and Operational Risks:** Use of open banking architecture, which is premised on the enhanced sharing of data, increases the surface area for cyber frauds. As the open API provides uncluttered access to customer banking data such as transactions and balance stored within the infrastructure, it may also pose a severe cyber security risk. Losses caused to customers on account of cyber events would require financial institutions to compensate customers for such losses. Institutions may also face a variety of potential operational and cyber security issues related to the use of APIs, including data breaches, misuse, falsification, denial of service attacks and infrastructure malfunction.

- **Compliance and Reputational Risk:** While open banking expands vistas of traditional banking and offers unique business opportunities, it also reposes extreme responsibilities with respect to compliance with applicable prudential regulations and privacy laws. Risk arise due to exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements due to omissions and commissions of the third-party service provider.
- **Grievance Redressal :** With more parties and intermediaries involved in the provision of financial services in an open banking model, it is more difficult to assign liability. If the regulations governing customer grievance redressals are not updated to take open banking business models into consideration, the national authorities may find it difficult to provide the customers adequate levels of protections. In India, Reserve Bank has implemented a separate Ombudsman Scheme for Digital Transactions in January 2019. The number of complaints received under the Ombudsman Scheme for Digital Transactions (OSDT) have been consistently increasing reflecting increased adoption of digital modes of banking.

In addition to the above, open banking frameworks also present regulators with many challenges. In open banking, there can be wide-ranging third-party arrangements such as fintech firms, intermediary firms engaged in data aggregation and other service providers which may not have a contractual agreement with the bank over which regulators can exercise jurisdiction. Further, it may be possible that several of these firms may not fall under regulatory purview of any financial sector regulator. In such situations, it may become difficult for regulators to set requirements, specifications, and exercise regulatory jurisprudence.

In many jurisdictions, including India, outsourcing arrangements for banks and other regulated entities are covered under explicit regulations. Supervisors also have certain amount of oversight over the third-party entities. If the relationships in the open banking extend beyond the existing supervisory and regulatory parameters, the enforcement of standards and prudential policies may become difficult.

Conclusion

Open banking is a potential disruptor in financial system and may change the way of doing banking for both customers and banks. New pure tech-play entities have the potential to snatch market share from established but traditional financial institutions because they are technologically more advanced, digitally agile to cater to customer needs with higher efficiency, have better use interface and are more competitive in pricing.

In contrast to Open Banking initiatives witnessed in some countries, India has embraced an approach where both the Regulator and the market have collaborated for the development of the Open Banking space. In India Reserve Bank and National Payments Corporation of India (NPCI) came out with a payment system like Unified Payment Interface (UPI) and released its API for the banks and third-party app providers to build upon. The market participants are also driving innovation and many banks are releasing their own APIs and joining forces with the fintech companies to provide better experience to their customers. Moreover with the launch of Regulatory Sandbox and Reserve Bank innovation Hub, Reserve Bank's approach has been that of encouragement and guidance.

At the same time, all stakeholders need to appreciate the fact that while technological innovation is of paramount importance, the customer privacy and data protection are not negotiable. We must generate trust amongst the customers that their data is safe and secure in all their financial relationships with regulated entities and for that - innovation and regulation should hand-in-hand. Regulators and Supervisors should also gear-up for the future challenges. Afterall, as the saying goes for (Regulators)......"while they can overlook the weather of the day, they cannot ignore climate of the era". ❑

FROM INTERNET OF THINGS TO BANKING OF THINGS

Introduction

The concept of 'Internet of Things [IoT]' emerged in early 1980s when technology started to influence business processes. The earliest example of a machine connected to Internet was a Coca Cola vending machine, located at the Carnegie Melon University. The programmers connected the machine by the internet, to check and see if there was a Coca Cola available, and if it was cold, before making the trip.

The term 'Internet of Things (IoT)' was coined by Kevin Ashton in 1999. It comprises of Hardware, Software, Sensors, Devices, etc. that enables real times collection monitoring and analysis of data which can be translated into meaningful actionable piece of information and help to automate the manual process.

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IoT is a way in which devices can connect and share information by connecting to internet. With higher fast and cheaper access of internet facilities all over the world, IOT has become one of the major technological evolution in recent times. In simpler terms, the electronic device that is connected to internet is termed as 'Internet of Things' [IOT]. 'Internet' here refers to connectivity and 'Things' means devices or 'The Thing' [living/non-living] which connects.

The Three questions to be answered in IOTs are

1. What to measure or What is being sensed? [Sensor]
2. Which device is connected to internet? [Gateway]
3. How are sensors connecting to Gateway? [Applications]

Applications of IOT

There are quita lot of applications of IOT in various fields.

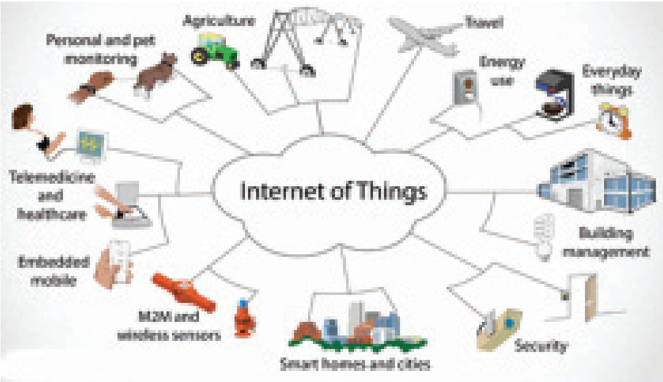
1. Health care - smart watches, glucose monitoring device, heart rate monitoring device etc
2. Smart cities - for eg, in the city, Palo Alto in San Francisco, drivers are guided to unoccupied parking slot by the smart sensors connected in the parking slots.
3. In agriculture, a smart green house, where data about the health and growth of the pants are being sensed which help to control the climate inside the green house and provide required nutrients for the plant growth.
4. Smart home appliances- for eg, a refrigerator which give

shopping alerts about items needs to be purchased, a washing machine which alerts about the mixing up of coloured laundry with the white ones, and also many other home automation concepts.

5. In industries, smart machines that give alerts about repairs, wear and tear etc.

There can be a lot more examples.

The following diagram is an illustration of the applications of IOT



Source: http:/www.designworldonline.com/tips-on-designing-for-the-internet-of-things/

Some statistics

- ❖ China is the biggest spender in IOT [168 billion US Dollors] in the Asia Pacific Region
- ❖ By 2023, the Asia Pacific region is expected to generate the most revenue from IOT.
- ❖ By 2025, there will be 64 billion IoT devices worldwide. Further, according to McKinsey, 127 new tools worldwide are attached to the web each second.
- ❖ By 2025 the attached gadgets will be more than 75 billion
- ❖ IOT market in India stands at 130 million US Dollors annually.
- ❖ Around 1,820 patents related to the Internet of Things (IoT) were filed in 2017 in India. And there is a steady rise after that too.
- ❖ With over 37 percent, the smart electrical appliances segment had the highest application of the total IoT patents filed by the Indian companies, in the home automation sector followed by smart system security, with a 16 percent application.

IOT in Banking / 'Banking of things'

'Banking of things' means 'Internet of Things' applied to 'Banking' platform. In Banks, IOT is mainly used to offer better customer service, Business process automation etc. Customers are using Apps/ mobile phones for making enquiries or doing certain transactions, and Banks collect the data from a common interface and offer their services. Thus banks can offer timely and personalized banking services to its customers.

Banks can use IOT sensors to track on various securities, like vehicles, stocks, machineries and other assets.

Banks can convert the data from IOTs into valuable informations and it can be used for betterment of their business products. For eg: tailor-fit loan products for customers based on the data of their needs, interest etc in retail, agriculture, SME etc. Also, banks can advise the customers on better investment options too. This will help banks to canvass more business and to hold a better market share.

Other uses of IOT in banking include use of artificial Intelligence to serve customers better, by reducing the servicing time. Eg: chatbots, visual assistances etc. There is a BMO Harris Bank in Chicago, where the customer is guided by technology and chatbots. For queries, human interface is provided with video calls. According to Business Insider Intelligence reports, by 2022 conversational assistants will help in operational cost cuts of over $ 8 billion across global banks.

Some banks have started using beacons, for example, to send customized offers right to customers' smartphones as soon as they enter the branch. And some ATMs now have live stream video support that allows customers to speak to tellers if they need additional assistance. IOT technology can make ATM smarter enough to contact technician when needed and send messages to the concerned in an attempt of robbery or theft.

In 2017, a bank has introduced RFID-enabled banking cards, whereby a branch/relationship manager can identify a valued client entering a branch with the card. [The Hindu Business Line 24-02-2017]

Now a days, the same can be done with biometric sensors /devices with IOT too.

IOT s also allow bank customers to change their financial habits and tackle the problem of overspending by sending alerts to the connected device when the set limit in credit and debit cards are reached. Along with payment control, banks can act as personal advisors, information providers also.

IOT s clubbed with AI [Artificial Intelligence] can be developed to detect KYC details, to do due diligence of customers, detect fake notes, early identification of frauds by studying the transactions, reports etc of the account.

In preventing frauds, for example, the misuse of debit or credit cards can be prevented by having IoT enabled security systems with more personal/biometric authorization methods. Also alerts can be sent to the customer regarding the unauthorized usage of the cards, for eg, at ATMs.

Thus IOT in banking helps for better customer service, designing products based on customer interests, ease in survey and operations and also to reduce costs.

Customers also prefers to use IoT in banking services as it saves time and effort and easy to use as well. Awareness, privacy and safety also contributes to the adoption of IOT in banking.

Data is the new oil in the digi-world. BOT devices will be useful for collecting data from customers and store in devices or cloud. Banks can use this data [data mining] at any point of time, and this will be having a far reaching effect in product designing, personalized and customized customer service, credit decisions, and getting early warning signals about loans slipping to NPA category, thus enabling banks to take remedial actions.

The data collected also will be helpful for data integration across the banks, like that of CIBIL/Experian reports. This can detect/ prevent many fraudulent activities in loans, frauds in digital banking, and help to take better decisions in credit and other matters.

Risks involved in 'Banking of Things'

Various risks are involved in 'Banking of Things', most important one is the Security Risks which include,

- Hackers stealing the data of customers
- Too much dependency in technology may lead to higher risks.
- IOT devices are devoid of inherent protection and wireless net works also vulnerable to many risks.
- Bugs and viruses can cause wide range of damages to the entire system
- Rectification will take much time and effort

There can be more roles to a bank than from custodian of public money to financial advisor, helping in budgeting, portfolio management, insurance manager including health etc. Data collected through IoT can also help the bank make better risk management decisions. Biometric data collected by sensors assist in the authentication process in all digital banking transactions with a secure access. Eg. Facial/eye recognition to operate ATM or digital banking apps.

Banks need to make use of latest technology and initiatives to secure the data available with them.

There can be issues in Interaction of multiple devices/ interfaces, Power consumptions challenge as many IOTs run on batteries, Data overload issues [control of data to be sent to cloud or internet should be there] etc. Data security is also one of the major concern in every digital transformation initiatives of banks.

So, we need to switch from 'Banking' to 'Banking of Things' safely.

Future of Banking of Things

The Bill Gate's quote, "Banking is necessary, banks are not" is becoming more meaningful with the introduction of new technologies like IOT, Artificial Intelligence etc in the banking system.

As Banking is continuously evolving with the IOT s and other technologies, those institutions which do not stay ahead in these latest technologies, will be left behind.

BoT has the potential of revolutionizing banking in many ways. But as the most important concern with technological advancement is security issues, banks has to develop adequate measures to prevent security breach.

References :

Various sources

RMAI Certificate Course on Risk Management

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Introduction

RISK MANAGEMENT ASSOCIATION OF INDIA (RMAI) has been pioneering the efforts towards awareness on the subject of Risk, creating academic and research environment to empower the professionals in this highly competitive financial services and allied industry.

Keeping pace with the global challenges and emerging opportunities for Professionals post Covid, RMAI is proud to launch the first-ever ONLINE Certificate Course on Risk Management from India. There never has been a more crucial time to stand-out and be counted as a professional who is able to demonstrate the knowledge and ability to anticipate, respond and adapt to critical issues pertaining to risk.

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Course Modules

Module -1- Introduction to Risk Management

Module -2- Understanding Environment and Stakeholders

Module -3- Risk Strategies and Corporate Governance

Module -4- Risk Management Framework

Module -5- Risk Management Process

Module -6- Emerging Risk

Module -7- Types of risks

Module -8- Models for Estimation of Risk

Module -9- Project and Assessment

Course Details

Course Duration/ Time	30 Hours / 8 Week
Final Exam	After 2 Months
Mode of Delivery	Online. E learning Modules

EARN A CERTIFICATE	Post successful completion of the course, Project and Assessment, you shall EARN A CERTIFICATE in RISK MANAGEMENT jointly awarded by Risk Management Association of India and AICP, London. You can use this Certificate across your Professional network and share with current/ prospective employers.
Course Fees	INR 15,000 or USD 350 for international participants.
Special Offer till 15th September 2021:	Rs. 7500 including Exam Fees. International US$ 175
Final Exam	Final Exam shall be conducted by Remote Invigilation.

Course Methodology

i) Online Course spread over eight week (E Learning Modules)

ii) 8 Modules of three hours each Plus Project

iii) Quiz during each module to check understanding

iv) Query Management Sessions by Experts

v) Individual Project and Guidelines

vi) Course Completion Assessment

vii) Final Exam by Remote Invigilation

More about AICP London

Association of Internal Control Professionals was established in London in 2014 the Institute is a not-for-profit organisation.

AICP is Europe's one of leading Institute for professional excellence in Internal Control, Risk Management, Corporate Governance and Compliance, and an innovator in internal control and risk management in Procurement & Supply Chain Management Operations.

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Value-added Benefits

- Complimentary Student Membership of RMAI for One Year you can continuously update your knowledge on the subject of Risk Management and upgrade your skill-set with various initiatives of RMAI during the year
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- Opportunity for publication of research paper and articles in RMAI Bulletin and other platforms
- Participate in Webinars conducted during the period

Payment Options:

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   Bank Details of Association :

   Risk Management Association of India

   Bank of India Account Number: 402110110007820

   Branch: Vivekananda Road Branch

   Type of Account: Savings

   IFSC Code : BKID0004021

   MICR Code: 700013048
2. Companies who want to enroll their employees in bulk can request for a invoice at info@rmaindia.org

In case of any Query about the Course you can contact us

EMail: info@rmaindia.org

Phone: 9073791022/8232083010

Post: Risk Management Association of India,
25/1, Baranashi Ghosh Street,
Kolkata – 700007. India

RBI CIRCULAR

Enhancements to Indo-Nepal Remittance Facility Scheme

RBI/2021-22/94

August 27, 2021

1. The Indo-Nepal Remittance Facility Scheme (Scheme) was launched by the Reserve Bank of India in May 2008 as an option for cross-border remittances from India to Nepal, with special focus on requirements of migrant workers of Nepali origin working in India. The Scheme leverages the National Electronic Funds Transfer (NEFT) ecosystem available in the country for origination of such remittances and entails a ceiling of ?50,000 per remittance with a maximum of 12 remittances in a year. The beneficiary receives funds in Nepalese Rupees through credit to her / his bank account maintained with the subsidiary of State Bank of India (SBI) in Nepal, i.e., Nepal SBI Bank Limited (NSBL) or through an agency arrangement.
2. A review of the Scheme has since been made and to boost trade payments between the two countries, as also to facilitate person-to-person remittances electronically to Nepal, the following enhancements are announced –
   i) Increase in the ceiling per transaction from Rs. 50,000 to Rs. 2 lakh.
   ii) Removal of the cap of 12 remittances in a year per remitter.
   iii) As hitherto, banks shall accept remittances by way of cash from walk-in customers or non-customers. The ceiling of ?50,000 per remittance with a maximum of 12 remittances in a year shall, however, continue to apply for such remittances.
   iv) The charges for transactions up to ?50,000 shall continue as provided in circular DPSS (CO) No.1381/04.09.003/2008-09 dated February 09, 2009. For transactions beyond ?50,000, the charges prescribed by SBI shall apply.
   v) The banks shall put in place suitable velocity checks and other risk mitigation procedures.
3. The enhancements are also expected to facilitate payments relating to retirement, pension, etc., to our ex-servicemen who have settled / relocated in Nepal.
4. These directions are issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and shall come into effect from October 01, 2021.

(P Vasudevan)
Chief General Manager

Review of incentive and other measures to enhance distribution of coins

RBI/2021-22/93

August 27, 2021

1. Please refer to our Master Direction DCM (CC) No.G-2/03.41.01/2021-22 dated April 01, 2021 on “Currency Distribution & Exchange Scheme (CDES)” for bank branches including currency chests which inter alia, provides for financial incentives of ?25 per bag to banks for distribution of coins over the counter.
2. Keeping in view the overall objectives of Clean Note policy and to ensure that all bank branches provide

better customer service to members of public with regard to exchange of notes and distribution of coins, the afore-said Scheme has since been reviewed and it has now been decided to revise the incentive being paid to the banks for distribution of coins with a major thrust on alternate avenues so as to extend the outreach. Accordingly, paragraph 2 (Incentives) Sl.No. (iii) stands revised as follows:

a) Revised scheme of incentive for distribution of coins
   (i) With effect from September 01, 2021, an incentive of ?65/- per bag for distribution of coins (instead of ?25/- as earlier) will be paid on the basis of net withdrawal from currency chest (CCs), without waiting for claims from banks. Currency chest branch will have to pass on the incentive to the linked bank/branches for coins distributed by them on a pro-rata basis within one week from the receipt of incentives from RBI.
   (ii) An additional incentive of ?10/- per bag would be paid for coin distribution in rural and semi-urban areas on the submission of a CA / Auditor certificate to this effect.
   (iii) The distribution of coins shall also be verified by RBI Regional Offices during inspection of currency chest/incognito visit to branches etc.

b) Banks to provide coins to bulk customers
   Further, in terms of Paragraph 2, Sl. No. (iii) (iii) of circular ibid, banks were instructed to put in place a system of checks and balances so as to ensure that coins are distributed to retail customers in small lots and not to bulk customers.

   On a review, with a view to meet the coin requirements of bulk customers (requirement of more than 1 bag in a single transaction) banks are advised to provide coins to such customers purely for business transactions. The banks may also endeavour to provide such services as part of their Board approved policy on 'Door Step Banking' services. Such customers should be KYC compliant constituents of the bank and the record of coins supplied should be maintained. Banks are advised to exercise due diligence to ensure that such facility is not misused.

   Disbursement of coins to retail customers through counters of bank branches shall continue as hitherto.

c) Engaging Business Correspondents (BCs) for distribution of coins
   Attention is invited to circulars DBOD.No.BAPD.BC.46/22.01.009/2013-14 dated September 2, 2013 and DCM (Plg) No. G 12 / 10.65.03/2013-14 dated September 10, 2013, permitting banks to include distribution of coins and banknotes in the scope of activities undertaken by BCs and explore the possibility of enlisting their service for carrying out various currency management functions while addressing the last mile connectivity issues.

   In this context, it is reiterated that banks should enhance the engagement of their BCs for distribution of coins to public and may also incentivise such activities as per their Board approved policy.

   To ensure steady supply of coins to bulk customers and BCs for onward distribution, all banks may ensure that each of their branches maintains a minimum stock of one bag of coins in each denomination.

d) Engaging Cash in Transit (CIT) entities for distribution of coins
   Attention is also invited to circular DCM (Plg) No. G - 14/10.65.03/2013-14 dated October 10, 2013 on Monetary Policy Statement for 2013-14 - Distribution of Banknotes and Coins – Alternative Avenues wherein banks were advised to explore the possibility of engaging the services of CIT entities for the purpose of distribution of banknotes and coins. It is reiterated that banks may engage CIT entities to further enhance distribution of coins to public.

3. Implementation of coin distribution measures may be commented upon by officers deputed to undertake bi-monthly and half-yearly verification as a part of internal control and supervision by the currency chest maintaining bank.

4. Senior Officers of banks on visits to currency chests and branches may be advised to specifically comment on the implementation of the above measures in their visit reports.

5. Please acknowledge receipt.

(Subrata Das)
Chief General Manager-in-Charge

INDUSTRY - WISE DEPLOYMENT OF BANK CREDIT

(₹ Crore)

Sr. No.	Industry	Outstanding as on						
		Jun 21, 2019	Jul 19, 2019	Aug 30, 2019	Sep 27, 2019	Oct 25, 2019	Nov 22, 2019	Dec 20, 2019
2.1	Mining & Quarrying (incl. Coal)	41129	40563	40938	41380	41176	41372	42741
2.2	Food Processing	151625	150077	145210	142388	139693	136930	145578
2.2.1	Sugar	29572	28582	27889	27424	25914	24624	24541
2.2.2	Edible Oils & Vanaspati	20100	19475	18929	17923	17681	17430	20071
2.2.3	Tea	5110	5200	5356	5558	5497	5832	5458
2.2.4	Others	96843	96820	93036	91483	90601	89044	95508
2.3	Beverage & Tobacco	14376	14440	13857	14973	14717	14030	15034
2.4	Textiles	193595	191284	186307	186773	187677	186323	189152
2.4.1	Cotton Textiles	91947	90087	84473	84020	83999	83448	85688
2.4.2	Jute Textiles	2122	2110	2117	2168	2209	2181	2215
2.4.3	Man-Made Textiles	25984	25452	25423	25295	25763	25820	26170
2.4.4	Other Textiles	73542	73635	74294	75290	75706	74874	75079
2.5	Leather & Leather Products	11150	11211	11051	11044	11052	10813	10949
2.6	Wood & Wood Products	11691	11701	11881	12082	11992	11968	12067
2.7	Paper & Paper Products	30142	29760	29864	29973	30507	30230	30697
2.8	Petroleum, Coal Products & Nuclear Fuels	55775	53085	51976	53576	52477	52466	53536
2.9	Chemicals & Chemical Products	174540	173212	177006	180523	176120	173231	177427
2.9.1	Fertiliser	33118	34419	35572	36835	34080	34112	34375
2.9.2	Drugs & Pharmaceuticals	49021	48195	48566	49177	48873	48501	49839
2.9.3	Petro Chemicals	39493	37900	39987	39110	39743	37445	39154
2.9.4	Others	52908	52698	52881	55401	53424	53173	54059
2.10	Rubber, Plastic & their Products	45828	45843	46501	47007	46919	47029	49164
2.11	Glass & Glassware	9832	9652	9942	9387	8687	8686	8784
2.12	Cement & Cement Products	56126	57539	59223	60809	60587	59309	58502
2.13	Basic Metal & Metal Product	352015	347995	348467	354021	351144	347906	337587
2.13.1	Iron & Steel	266162	265912	266309	269955	268259	265599	254848
2.13.2	Other Metal & Metal Product	85853	82083	82158	84066	82885	82307	82739
2.14	All Engineering	164574	165038	166488	163374	166861	162680	158648
2.14.1	Electronics	37942	37367	37284	35168	35706	32895	33145
2.14.2	Others	126632	127671	129204	128206	131155	129785	125503
2.15	Vehicles, Vehicle Parts & Transport Equipment	81419	82728	83022	83038	82552	81472	82840
2.16	Gems & Jewellery	66218	66066	66361	65637	62792	61310	60452
2.17	Construction	97160	95384	95990	100074	99394	100091	102579
2.18	Infrastructure	1026481	1034716	1004811	1003786	1019784	1025154	1029417
2.18.1	Power	563743	568247	558892	557170	559953	562711	562025
2.18.2	Telecommunications	106831	112215	109761	115017	127493	130960	134310
2.18.3	Roads	186128	188386	190895	185293	185424	186529	186870
2.18.4	Other Infrastructure	169779	165868	145263	146306	146914	144954	146212
2.19	Other Industries	228356	218066	216319	215038	222620	221247	229218
	Industries	2812032	2798360	2765215	2774883	2786751	2772248	2794372

(Continued

INDUSTRY - WISE DEPLOYMENT OF BANK CREDIT (Concld.)

(₹ Crore)

Sr. No.	Sector	Outstanding as on					
		Jan 31, 2020	Feb 28, 2020	Mar 27, 2020	Apr 24, 2020	May 22, 2020	Jun 19, 2020
2.1	Mining & Quarrying (incl. Coal)	41886	41600	43927	43508	42094	42890
2.2	Food Processing	150279	149851	154146	152326	149382	157937
2.2.1	Sugar	26288	26623	27382	27362	26556	25491
2.2.2	Edible Oils & Vanaspati	20745	19461	19240	18044	17980	17589
2.2.3	Tea	5438	5290	5375	5193	4406	5108
2.2.4	Others	97808	98476	102149	101727	100440	109749
2.3	Beverage & Tobacco	14991	15063	16522	16458	16111	15025
2.4	Textiles	190108	188067	192424	190040	189249	189236
2.4.1	Cotton Textiles	87850	86276	89283	87254	86023	86401
2.4.2	Jute Textiles	2198	2117	2116	1994	1958	2046
2.4.3	Man-Made Textiles	26017	25822	26074	26094	26349	26835
2.4.4	Other Textiles	74043	73852	74951	74698	74919	73954
2.5	Leather & Leather Products	10882	10720	11098	10830	10609	10936
2.6	Wood & Wood Products	12205	12102	12233	12343	12432	12591
2.7	Paper & Paper Products	31085	30607	30965	31276	31570	31675
2.8	Petroleum, Coal Products & Nuclear Fuels	55622	58679	75834	81636	73835	73323
2.9	Chemicals & Chemical Products	183048	184239	202949	193201	182315	180006
2.9.1	Fertiliser	34535	37028	49066	35981	34781	34486
2.9.2	Drugs & Pharmaceuticals	52072	50685	53427	53198	51800	52040
2.9.3	Petro Chemicals	40697	40188	42233	47383	40832	39455
2.9.4	Others	55744	56339	58223	56639	54902	54025
2.10	Rubber, Plastic & their Products	49254	48752	50415	49763	48645	48402
2.11	Glass & Glassware	8678	8494	8777	8412	8165	8132
2.12	Cement & Cement Products	57715	56634	58689	58916	58234	57163
2.13	Basic Metal & Metal Product	335104	333597	350325	354085	354466	350359
2.13.1	Iron & Steel	252173	250942	262396	268125	268756	266465
2.13.2	Other Metal & Metal Product	82931	82655	87929	85960	85710	83894
2.14	All Engineering	157586	155428	157259	154251	155201	147283
2.14.1	Electronics	33594	32900	30159	29968	30438	29742
2.14.2	Others	123992	122528	127100	124283	124763	117541
2.15	Vehicles, Vehicle Parts & Transport Equipment	79793	79111	82606	82565	84499	85374
2.16	Gems & Jewellery	59841	59147	59515	58880	57447	55686
2.17	Construction	105113	103972	104288	98980	100381	102608
2.18	Infrastructure	1036852	1018749	1053913	1055204	1055249	1069160
2.18.1	Power	559305	538993	559774	566556	568131	568950
2.18.2	Telecommunications	136080	141171	143760	139040	138289	146173
2.18.3	Roads	192232	186148	190676	189441	192041	194921
2.18.4	Other Infrastructure	149235	152437	159703	160167	156788	159116
2.19	Other Industries	237483	238000	239266	231698	231723	237424
	Industries	2817525	2792812	2905151	2884372	2861607	2875210

Source : *Reserve Bank of India.*

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