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From The Desk Of Editor-in-Chief

According to RBI, foreign direct investment (FDI) companies witnessed broad-based recovery during the period 2021-22 as the COVID-19 pandemic's impact diminished and economic activity rebounded.

As per the data related to the financial performance based on audited annual accounts of 2,206 FDI companies in India during 2021-22, the central bank said sales expanded by 29.7 percent.

The paid-up capital of the companies amounted to Rs 5,04,271 crore, which accounted for 54.5 percent of the total paidup capital of FDI companies that had reported in the 2021-22 round of the Reserve Bank of India's annual census of foreign liabilities and assets of Indian direct investment companies.

The recent failure of 2 banks in USA has put a big question mark on the current regulations and risk management measures being implemented to prevent failure.

Amid the rising spill overof risks due to the recent spate of US bank failures and stress building up in Credit Suisse, the RBI is targeting specific actions to further strengthen banks.

Customising systemic controls to domestic banking, the RBI has urged all banks to make extra provision against exposure to top 20 business houses that face higher external risks.

The RBI's stress tests for credit risk also indicated that banks will be able to comply with the minimum capital requirements even under severe stress scenarios. A forward outlook of RBI indicates that banks will be able to maintain capital to risk weighted assets ratio (CRAR) much beyond the minimum threshold even in severe stress scenario.

Depending on individual capabilities, bank boards can decide the quantum of provisions. Currently, banks are required to make a general provision for standard assets at 0.25 per cent of outstanding loans to agriculture/small and micro enterprise, and 1 per cent for real estate commercial and 2 per cent for teaser housing loans. All other standard loans to attract provision of 0.40 per cent.

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Banking News

Safety tips to avoid new-age cyber fraud

A leading private sector bank helped the Alipore police station in Kolkata to organise an awareness programme on bank and cyber fraud at the Indian Management Institute.

SIM-swap and UPI transaction-related frauds are fast replacing all other forms of modus operandi being adopted by cyber crooks, warned experts at the event.

Arup Kumar Banerjee, OC Alipore and bank representatives shared real-life experiences in probing "new-age digital frauds." Police officers and bank officials highlighted basic do's and don'ts to tackle changing techniques adopted by cyber fraudsters. "The idea behind the event was to reach out to students and mentors and make them aware of new-age frauds," a senior bank official said.

Banks' gross NPAs may hit 10-year low

Bad loans of Indian banks are expected to decline 90 basis points to less than five per cent in FY23 and hit a decadal low of sub-four per cent by March 31, 2024, said an Assocham-Crisil Rating study unveiled. The study attributed the decline in gross Non-Performing Assets (NPAs) to the post-Covid economic recovery and higher credit growth.

It said the biggest improvement would be in the corporate loan segment, where gross NPAs are seen falling below two per cent in the next fiscal from a peak of about 16 per cent as on March 31, 2018.

"This follows significant clean-up of books by banks in recent years, as well as strengthened risk management and underwriting, which has led to higher preference for borrowers with better credit profiles. The steady improvement in corporate asset quality is clearly manifested in key indicators such as the credit quality of bank exposures," Assocham Secretary General Deepak Sood said.

YES Bank ties up with Aadhar Housing Finance

Yes Bank said it has partnered with Aadhar Housing Finance Ltd to offer home loans at competitive interest rates to customers from lower and middle-income groups.

With this partnership, both entities aim to provide, convenient home finance solutions such as home loan for salaried employees, loan for plot purchase and construction, home improvement loan, loan against residential commercial property, balance transfer and top up, among others, to customers from lower and middle-income groups.

"Home loan penetration in India is relatively lower as compared to the most developed economies of the world. This offers an opportunity for lenders to bridge this gap with their product offerings. We are happy to partner with Aadhar Housing Finance, to bring forth a slew of affordable home finance solutions that will largely benefit individuals from lower-and middle-income groups by helping them fulfill their dream of building their own home. Given our vast network of banking relationships, we aim to cater to the financial requirements of customers across a wide socio-economic spectrum, in line with the Government's vision of encouraging inclusive growth within the country," Lavesh Sardana, country head - retail assets, Yes Bank said.

IBA considering 5-day work week for bank staff

The Indian Banks Association (IBA) is considering bank unions' demand for a five-day work week but for which the total working hours have to be increased by 40 minutes per day, according to the circular issued by the All India Bank Employees' Association.

At the bilateral meeting between the Unions and IBA on February 28, it was agreed upon that to enforce a five-day work week, "it has emerged that the total working hours can be increased by 40 minutes per day with cash transactions from 10 am to 4 pm and non-cash transactions upto 4-30 pm."

With the proposal getting IBA's nod, it will be sent to the finance ministry and subsequently to the Reserve Bank of India (RBI) for approval.

SBI completes commercial trade in Sri Lankan rupees

State Bank of India said it completed its first non-dollar transaction with Sri Lanka, by paying for exports in Sri Lankan rupees as India looks to bring countries that are short of U.S. dollars into the trade mechanism.

The move comes as Sri Lanka grapples with its worst economic crisis since its independence, triggered by a shortage of dollars.

Banking system liquidity turns surplus on higher deposit growth, govt spending

The banking system liquidity has become surplus in the last few days on higher deposit accretion and increase in the government spending.

The Reserve Bank of India (RBI) absorbed on an average Rs 70,933.8 crore of liquidity from the system on a daily basis between February 28 and March 7. The net liquidity absorption by RBI stood at Rs 1.14 lakh crore on March 5 and Rs 1.05 lakh crore on March 4.

After remaining in deficit mode for 17 days, RBI absorbed Rs 18,256.53 crore of liquidity on February 28 on a net basis. Between February 8 and February 27, the average daily infusion by the RBI into the system was Rs 27,107.82 crore.

While the net absorption number shows the surplus liquidity which is being sucked out of the system by RBI, net injection reflects the deficit. Liquidity in the banking system refers to the readily available cash that banks need to meet short-term business and financial needs.

"Essentially, it (liquidity surplus) is because of the deposits which have started increasing due to rise in interest rates. At the same time, there is some kind of slowdown in credit demand," Bank of Baroda Chief Economist Madan Sabnavis said.

Many banks have increased their deposit rates after the RBI raised the repo rate by 250 basis point (bps) to 6.50 per cent since May 2022.

The weighted average domestic term deposit rate (WADTDR) on outstanding rupee term deposits of scheduled commercial banks increased by 12 basis points from 5.78 per cent in December 2022 to 5.9 per cent in January 2023, the latest RBI data showed.

World Bank commits $1 b to India for enhancing public healthcare infra

The World Bank will extend two complementary loans of $500 million each to India to bolster public healthcare infrastructure in the country.

In a statement, the multilateral body said its combined financing of $1 billion will support India's flagship Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission (PM-ABHIM), launched in October 2021.

It said one of the loans will prioritise health service delivery in seven states-Andhra Pradesh, Kerala, Meghalaya, Odisha, Punjab, Tamil Nadu and Uttar Pradesh-in addition to the national level interventions.

One of the loans will support efforts to prepare India's surveillance system to better detect and report epidemics of potential international concern and ensure rapid response, among others. The other loan will support government efforts to bolster service delivery through a redesigned primary healthcare model.

Big domestic deposits cushion Indian banks

The collapse of Silicon Valley Bank (SVB) has spooked banking stocks worldwide. With the US Federal Reserve (Fed) embarking upon an interest-rate increase spree to tame inflation, the Street fears that the SVB crisis-triggered largely due to asset-liability mismatch - is only the beginning.

Amid rout in global banking stocks, the Bank Nifty Index - a gauge for the performance of leading Indian banks has dropped over 4 per cent in just two trading sessions.

While banking stocks will continue to remain under pressure as the SVB crisis unravels, analysts believe Indian banks' deposit mix provides the requisite cushion.

"Amid all the doom and gloom in global banks and a contagion impact from the SVB issue, banks in India stand out with hardly any exposure - directly or indirectly to SVB. It remains a domestic deposit-funded system, with investments in Indian government securities (G-secs).

Biden vows to protect US bank deposits

President Joe Biden vowed to hold "fully accountable" the people responsible for the failure of Silicon Valley Bank and a second financial institution, Signature Bank, as he sought to reassure Americans their deposits are safe.

"I am firmly committed to holding those responsible for this mess fully accountable and to continuing our efforts to strengthen oversight and regulation of larger banks so that we are not in this position again," Biden said in a statement.

Swiss bank UBS eyes Credit Suisse takeover

U.S. authorities are working with Swiss counterparts to broker a deal for UBS AG to buy all or part of Credit Suisse Group AG, Bloomberg News reported citing people familiar with the matter.

U.S. officials might seek to weigh in on matters which can impact the finals terms of the deal between the banks, according to the report.

An official at the Federal Reserve declined to comment on the report, while the Treasury Department did not immediately respond to a Reuters request for comment. UBS is mulling a takeover of its embattled Swiss peer, sources have told Reuters. The plan could see the Swiss government offer a guarantee against the risks involved, while Credit Suisse's Swiss business could be spun off.

U.S. and European banking executives and regulators have taken measures to shore up the industry to restore confidence. The Biden administration has moved to backstop consumer deposits while the Swiss central bank loaned billions to Credit Suisse to stabilize its shaky balance sheet.

PSBs gross NPA dips to 5.53%; profits at Rs. 70K cr in FY23

The government has taken various reforms following which asset quality of public sector banks has improved significantly with gross NPA ratio declining from the peak of 14.6 per cent in March 2018 to 5.53 per cent in December 2022, Parliament was informed.

All PSBs are in profit with aggregate profit being Rs. 66,543 crore in 2021-22, and that further increased to Rs. 70,167 crore in first nine months of current financial year, Minister of State for Finance Bhagwat K Karad said in a written reply to Lok Sabha.

NRI deposit inflows more than double

Continuing rupee fall and higher interest rate have seen NRI deposits nearly doubling in the first eight months of 2012-13 to USD 11.24 billion from USD 6.39 billion a year ago, according to the Reserve Bank data.

However, the non-resident (ordinary) rupee accounts and foreign currency nonresident accounts saw an outflow this year as against an inflow last year, according to the central bank data.

It can be noted that the rupee had hit an all-time low of 57.32 to the dollar on June 14. However, the rupee ended at 54.76 to the dollar, which is 4.67 per cent stronger from its all-time low.

US banks ask FDIC to insure all deposits for two years

A coalition of midsize US banks asked federal regulators to extend FDIC insurance to all deposits for the next two years, arguing the guarantee is needed to avoid a wider run on the banks.

"Doing so will immediately halt the exodus of deposits from smaller banks, stabilize the banking sector and greatly reduce chances of more bank failures," the Mid-Size Bank Coalition of America said in a letter to regulators seen by Bloomberg News.

The collapse this month of Silicon Valley Bank and Signature Bank prompted a flood of deposits out of regional lenders and into the nation's largest banks, including JPMorgan Chase & Co. and Bank of America Corp. Customers spooked by the bank failures were taking refuge in firms seen as too big to fail.

E-rupee worth over Rs. 130 crore in circulation: FM

Digital or e-rupee worth over Rs 130 crore is in circulation as of February 28, according to Finance Minister Nirmala Sitharaman. On November 1, 2022, the Reserve Bank of India (RBI) launched pilots in digital rupee in the wholesale segment (e-Rs.) and in the retail segment (e-Rs.) on December 1, 2022.

State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank, IDFC First Bank, and HSBC are among the nine institutions participating in the digital rupee wholesale trial, according to Sitharaman.

"As on February 28, 2023, the total digital rupee – Retail (e-Rs.) and digital rupee – wholesale (e-Rs.) in circulation is Rs 4.14 crore and Rs 126.27 crore, respectively," Sitharaman said in a written reply in the Lok Sabha.

The e-Rs. is a digital token that functions as legal tender. It will be released in the same denominations as paper cash and coins are now. It is distributed via financial intermediaries, such as banks. ❑

Reserve Bank News

Credit growth of banks spikes up to 16.8% in December quarter

Indian banks' credit growth doubled to 16.8% in the October-December quarter from a year earlier, data released by the Reserve Bank of India (RBI).

Bank credit had expanded by 8.4% in the quarter ended December 2021 and 17.2% in the quarter ended September 2022, as per the data.

The growth in credit was led by bank branches in metropolitan centres, which accounted for nearly 60% of the total credit by banks, the RBI said. Urban, semi-urban and rural centres also recorded double-digit credit growth, it added.

The growth of state-owned lenders' credit portfolios jumped, rising by 15.7% during 2022 as compared with 4.7% in 2021. Corresponding growth for private banks remained higher, however, at 19.1%, from 13.1% in 2021, as per the data.

With India's economy on the mend following the COVID pandemic, credit offtake has improved and most banks now expect double-digit credit growth for the current financial year ending in March 2023.

Credit card spends in January 23 at over Rs. 1 lakh crore

Credit card spends were above the Rs. 1-lakh crore mark for the 11 th consecutive month in January, touching Dr. 1.28-lakh crore during the month, according to RBI data.

Spends rose nearly 1 per cent on an already high base seen in December, when card spends stood at Rs. 1.26-lakh crore, led by a rise in e-commerce and online transactions. Year-on-year, spends were higher by around 45 per cent.

Credit card spends had touched a peak of Rs. 1.29-lakh crore in October 2022 amid rise in festival season-led transactions.

Online e-commerce sales comprised over 61 per cent of the card spends in January, followed by PoS (point of sale) transactions at 38 per cent and other transactions forming the rest. Spends were largely led by transactions pertaining to travel, tourism and shopping, said industry participants.

Most major credit card issuers such as ICICI Bank, Axis Bank and SBI Card saw a single-digit increase in spends; however, HDFC Bank saw a 1.3 per cent decline despite an increase in outstanding cards.

Even then, the private sector lender continued to maintain its leadership position in spends, with a market share of 28 per cent, followed by SBI Card, which had a market share of 19 per cent.

Net card additions for the month were at 12.6 lakh or 1.6 per cent, higher than 5.8 lakh in December. This took total outstanding credit cards to 8.2 crore at the end of January.

The addition in the number of cards was led by SBI Card, which saw a net increase of 3.3 lakh, followed by HDFC Bank seeing a rise of 2.2 lakh, Axis Bank of 1.4 lakh and ICICI Bank of 1.3 lakh on month.

RBI may hit the pause button on rate hike next month

Even as India's retail inflation remained above RBI's tolerance limit of 6% for the second consecutive month in February, global brokerage firm Nomura expects the central bank to not increase interest rates in its April meeting.

The expectations of Nomura analysts Sonal Varma and Aurodeep Nandi are against the consensus of a 25 basis point rate increase in FY24's first meeting of the monetary policy committee on April 3-6.

The brokerage expects headline inflation to fall to 5.5% in March, with core easing to 5.7%. Beyond March, it expects a material inflection lower (to below 5%) in both headline and core inflation, with both likely to average 4.9% in FY24.

"Favourable base effect will play some role, but we also expect continued moderation in the underlying momentum, due to weaker growth," Varma said.

Kotak Institutional Equities, on the other hand, sees limited space for the RBI to ignore the above 6% inflation prints and continue to expect the repo rate to be hiked by a 25 bps hike in the April meeting.

"Inflation has stayed above 6% for two consecutive months. Average inflation for 4QFY23 will likely be at 6.2%-50 bps higher than RBI's estimate. It will be difficult for the RBI to ignore these inflation prints (even with global financial markets in some turmoil) after being hawkish in the last policy," Kotak said.

RBI should pause, think about decoupling from Fed: Soumya Kanti Ghosh

The RBI should "pause and think" if it can continue mirroring the US Federal Reserve "stroke by stroke" in terms of rate hikes or decouple from the American central bank, SBI group chief economic adviser Soumya Kanti Ghosh said. Ghosh said he does not see an end to the rate hike cycle of the Fed in the short-term, which makes a case for the RBI to contemplate about decoupling.

"My point is can we match the Fed stroke by stroke? At some point of time we need to pause and think whether the impact of the earlier rate hikes (by the RBI) has percolated down into the system... I don't see any end to the Fed's cycle soon, it could be three or more rate hikes going ahead," Ghosh said.

In January 2023, the country's inflation jumped up to 6.52 per cent, above the RBI's tolerance level of 6 percent.

This came after inflation remaining above 6 per cent for 10 out of twelve months in 2022. Most economists believe that the RBI will hike rates to soften inflation, which in recent times has been spurred by food prices.

Increased funding costs could impact lenders' profit margins

Profit margins at Indian banks and nonbank lenders could narrow as they absorb a part of the staggered increases in funding costs to ensure credit demand remains resilient through the cycle of rate hardening.

With the Reserve Bank of India (RBI) raising policy rates to restrain inflation, lenders believe passing on costs fully could hurt credit demand.

"The RBI in the February MPC meeting expectedly raised the repo rate by 25 basis points, while higher inflation print in January CPI poses risk of another hike if inflationary expectations do not ease," said Anand Dama, analyst with brokerage Emkay Global. "With the threat of El Nino on the rise, food inflation could be a spoil-sport and, thus, add to the risk."

To be sure, lenders have already raised loan costs for borrowers after the central bank began raising rates early last summer to prevent inflation from accelerating.

Banks may hike MCLR by 150 bps in FY24 amid tight liquidity: Report

Commercial banks are likely to increase the marginal cost of funds based lending rate (MCLR) by 100-150 basis points (bp) in the next financial year (FY24) amid a rise in the cost of money and tight liquidity. The transmission of monetary policy in the banking system could intensify in FY24, according to India Ratings and Research (Ind-Ra).

Responding to the repo rate rising since May 2022, banks have raised median MCLR (of one-year duration) by 120 basis points between May 2022-February 2023, Reserve Bank of India (RBI) data showed. The RBI has hiked policy repo rate by 250 basis points in stages to 6.5 per cent in February 2023.

MCLR-linked loans are mostly given to corporate and business establishments. These loans had 46.5 per cent share in outstanding floating rate rupee loans as of September 2022, according to RBI data.

Ind-Ra said the drawdown by banks from reverse repo in FY23 was to the tune of Rs five trillion. This has enabled banks to address a surge in the gap between incremental credit and deposit, and this will not be available in FY24. Therefore, MCLR will show a significant rise.

RBI's Das bags 'Governor of Year' award

RBI governor Shaktikanta Das bagged the 'Governor of the Year' award for 2023 by international publication Central Banking for captaining financial markets through the turbulent periods of the pandemic and the crippling impact of the Ukraine war. Former RBI governor Raghuram Rajan was the first to be conferred the title in 2015 from the country.

The publication said the governor helped manoeuvre the ship as it faced multiple obstacles since his appointment in December 2019. An economy as complex as India's will likely never be free from challenges but, as Das faces up to the remainder of his second term, he can take pride in major achievements so far," the citation said.

Das said, "A war effort has to be mounted, and is being mounted, to combat the virus, involving both conventional and unconventional measures in continuous battle-ready mode. Life in the time of Covid has been one of unprecedented loss and isolation. Yet, it is worthwhile to remember that tough times never last, only tough people and tough institutions do."

RBI approves 60 'vostro' accounts for rupee trade

The Reserve Bank of India (RBI) has so far granted approval for opening of 60 special rupee vostro accounts in domestic and foreign banks in 18 countries including Russia, Singapore and

Sri Lanka to facilitate overseas trade in the Indian currency, Union Minister of State for Finance Bhagwat Karad informed parliament.

The other countries include Botswana, Fiji, Germany, Guyana, Israel, Kenya, Malaysia, Mauritius, Myanmar, New Zealand, Oman, Seychelles, Tanzania, Uganda and the UK.

This shows a significant progress in the development of a mechanism to settle international trade in rupee.

Last year, the RBI came out with a mechanism to allow overseas trade in rupee to facilitate import of cheaper oil from Russia following sanctions imposed by the west.

Russia's leading banks Sberbank, VTB Bank and Gazprombank were among the first to be granted approval by the RBI for special rupee vostro accounts.

As per a RBI circular released in July 2022, Indian importers undertaking imports through this mechanism shall make payment in INR which shall be credited into the special vostro account of the correspondent bank of the partner country, against the invoices for the supply of goods or services from the overseas seller /supplier.

RBI clears IndusInd CEO for 2 more yrs

The RBI has approved the reappointment of Sumant Kathpalia as md & CEO of IndusInd Bank for a period of two years from March 24, 2023. The private lender's board had reappointed Kathpalia as md & CEO, for three years with effect from March 2023.

Kathpalia has been head of the bank since March 2020 post the retirement of Romesh Sobti former CEO. RBI's limiting his term to two more years would mean that the board would have to send fresh proposal in 2024.

RBI penalty on RBL Bank

The Reserve Bank of India (RBI) has imposed a monetary penalty of Rs 2.27 crore on RBL Bank for non-compliance with certain provisions.

The central bank stated that this action is based on the deficiencies in regulatory compliance observed relating to the period FY 2018-19 to FY 2021-22 and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

In a statement, RBI said that the penalty is for non-compliance with certain provisions of the directions issued by the central bank on the Internal Ombudsman Scheme, 2018, Fair Practices Code for Lenders, credit card operations of banks, managing risks, and the code of conduct in outsourcing of financial services by banks and recovery agents engaged by banks.

The RBI said that the private sector bank failed to ensure that the loan recovery agents engaged by it during those periods did not resort to intimidation or harassment and that it did not ensure police verification of the agents before employing them.

Govt invites application for RBI deputy governor post

The Finance Ministry has initiated the process to appoint a new Reserve Bank Deputy Governor in place of M.K. Jain, whose extended term is coming to an end in June.

The applicant should have an experience of 15 years in banking and financial market operations, said a public notice, indicating that candidates from the private sector will also be considered for the appointment.

Traditionally, one of the four Deputy Governors is from the public sector banking industry. If the government decides to appoint someone from the private sector, it would be a first for the Reserve Bank of India.

RBI injects Rs. 1.1 trn funds into banking system

With the onset of corporate advance taxes leading to significant outflows from the banking system, the Reserve Bank of India injected Rs 1.1 trillion into the system for the largest liquidity infusion in a day since April 24, 2019.

According to its data, the RBI injected net liquidity worth Rs 110, 772 crore into the banking system on March 16. Injection of funds also marks the first time since April 24, 2019 that the RBI infused more than Rs 1 trillion into the banking system.

Payment System operators urged to embrace online dispute resolution model

Every failed transaction, fraud attempted or actually carried out, and complaint that is not satisfactorily addressed should be a cause of concern and must invite a detailed root cause analysis by Payment System Operators (PSOs), according to RBI Governor Shaktikanta Das.

Das emphasised that PSOs would do well to remember that like the batsman on the cricket field, they are only as good as the last ball faced

He observed that payments and settlements are serious businesses with potential downsides, should anything go wrong.

"Our effort should be to mitigate such downsides and capitalise on the upsides. This is something all market participants must recognise and constantly remind themselves," he said at a Conference of PSOs in Kochi.

PSOs in India include Clearing Corporation of India, National Payments Corporation of India, Cards Payment Networks, Cross border Money Transfer, ATM networks, Prepaid Payment Instruments, White Label ATM Operators, Instant Money Transfer, and Trade Receivables Discounting System, Bharat Bill Payment System.

Indian banking system is stable, resilient: RBI Governor

Reserve Bank of India (RBI) governor Shaktikanta Das said that the country's banking system continues to be stable and resilient, and lenders have built sufficient buffers to shield themselves from any unforeseen stress. His comments come amid the recent turmoil in the banking sector globally.

Das also said that the worst of inflation is behind us and that the rupee exhibited the least volatility among its peers.

He stressed that despite the multiple and overlapping shocks to the global economy from the pandemic, Russia-Ukraine war and monetary policy tightening by central banks across the world, the Indian economy remains resilient and is expected to be the fastest-growing major economy in the world.

Commenting on the recent developments in the US banking system, including the failure of three banks, he said that it has brought to the fore the criticality of regulation and supervision in the banking sector. ❑

Industry News

Employment inches up in urban India

Unemployment rate in India increased to 7.45 per cent in February from 7.14 per cent in January 2023. The number of unemployed persons in the labour force increased from 31.5 million to 33 million. While the rise in unemployment rate was accompanied with a small increase in labour participation rate, the employment rate in February remained at levels recorded in January. Urban India fared better than rural India in terms of employment. Rural India experienced a significant increase in unemployment.

Trading curbs lifted on Adani Enterprises

The National Stock Exchange will remove Adani Enterprises Ltd from the short-term additional surveillance measures (ASM) framework. The company had been put under the ASM framework a month back, along with two other group stocks, following a massive sell-off post-Hindenburg research levelling allegations against the group.

During the period of high volatility, the exchange takes such measures as placing stocks under the ASM framework to protect investors from any speculative trading too. However, with reduced volatility, the stock moving out of the ASM framework would mean less stringent rules like the removal of the 100% margin requirement for intraday traders.

The group stocks had remained under pressure and volatile since the Hindenburg report raised concerns around the group on 24 January. The group, however, got a respite with the US-based investment firm GQG partners investing Rs. 15,446 crore in four Adani stocks. The same has helped reduce major concerns of the investors, leading to the stock rebounding almost 23.5%.

White-collar jobs for women up 35% this year, shows survey

The number of available jobs for women has surged 35 per cent year-on-year in February 2023, indicating a growing demand for female workers in the Indian white-collar economy, according to data released from employment website Foundit (formerly Monster APAC & ME).

According to online hiring trends, the Information Technology and Business Process Management (BPM) sector holds the largest share of available opportunities for women at 36 per cent as a consequence of the growing focus on gender parity in the workplace. This is followed by IT/Computers-Software (35 per cent), and Banking, Accounting and Financial Services (22 per cent). There has also been a significant increase in job postings for women in sectors such as recruitment, staffing or HRO (20 per cent share) and hospital, healthcare and diagnostics (8 per cent).

65 more obsolete laws be repealed

Union Law Minister Kiren Rijiju said the government would push a Bill in the Parliament session, which will resume on March 13, to repeal 65 more obsolete laws and other such provisions.

Addressing the 23rd Commonwealth Law Conference in Goa, the Minister informed that more than 4.98 crore cases are pending in various courts in India and the pendency would be handled using technology, with a "paperless judiciary" being the ultimate aim of the government.

"In every part of our country, every citizen is a beneficiary of the welfare steps taken by the Government of India. As a welfare State, it is very important that we listen to every individual," he said.

Mr. Rijiju said the Modi government has been at the forefront of taking various steps, especially in creating "ease of living" for common citizens. "Policies of the government regarding the ease of living are successful," he said.

The Law Minister said the government believes that laws are for the people and if laws become obstacles and compliances become a burden on the lives of people, then such provisions must be done away with.

Exports may cross $750 billion

The country's goods and services exports are marching ahead to cross USD 750 billion in the current financial year and talks for expanding rupee trade with certain countries are at an advanced stage, Commerce and Industry Minister Piyush Goyal said.

Goyal said that last year the exports reached an all-time high of USD 676 billion.

We are inching close and marching ahead to cross USD 750 billion of goods and services exports in 2022-23We are expanding rupee trade with several countries, many of which are at an advanced stage of dialogue and finalisation., he said here at the CII partnership summit.

Earlier, exports used to hover at around USD 500 billion every year, he added.

India's merchandise exports during April-January this fiscal have increased to USD 369.25 billion as against USD 340.28 billion in the same period last year. Services exports during the 10-months period are estimated at USD 272 billion.

429 items have got GI Tag so far: DPIIT

As many as 429 products like Mysore Silk, Kangra Tea and Thanjavur Paintings have been granted Geographical Indications (GIs) tag as on date, including 31 foreign goods, according to the commerce and industry ministry.

The department for promotion of industry and internal trade (DPIIT), an arm of the ministry, said that steps have been taken to promote these goods.

"A total of 429 GIs have been registered as on date in India, including 31 foreign products," the DPIIT said in its annual report 2022-23.

A GI is primarily an agricultural, natural or a manufactured product (handicraft and industrial goods) originating from a particular geographical territory.

Typically, such a name conveys an assurance of quality and distinctiveness, which is essentially attributable to the place of its origin.

There is a proper process of registration of GI products, which includes filing of application, preliminary scrutiny and examination, show cause notice, publication in the geographical indications journal, opposition to registration, and registration.

Airtel crosses the 10m unique user mark

Bharti Airtel announced that it has crossed the 10 million unique 5G user mark on its network. In a statement, the company said it is well poised to cover every town and key rural areas with Airtel 5G services by the end of March 2024.

The company informed it has surpassed the 10 million unique 5G user milestone, on its network. In November 2022, Airtel became the first and only operator to have 1 million unique customers on its network within 30 days of its commercial launch, the statement added.

It is pertinent to mention that high speed 5G services were launched in the country, on October 1, 2022. The 5G services powers ultra-low latency connections, which allow downloading full-length high-quality video or movie to a mobile device in a matter of seconds (even in crowded areas).

The fifth Generation or 5G would, going forward, would enable powerful solutions such as e-health, connected vehicles, more-immersive augmented reality and metaverse experiences, life-saving use cases, and advanced mobile cloud gaming, among others applications.

Japan provide Rs. 2,288 crore loan for two projects

Japan will provide loans worth Rs 2,288 crore to India for the Mumbai Trans-Harbour Link Project in Maharashtra and for a Super-Specialty Cancer and Research Centre in Mizoram.

An official statement said that Japan has approved JPY 30.755 billion or about Rs 1,728 crore for the project in Maharashtra and JPY 9.918 billion or around Rs 560 crore for developing the centre in Mizoram.

Mumbai Trans-Harbour Link Project aims to improve connectivity in Mumbai Metropolitan Region by connecting Mumbai with Navi Mumbai, thereby contributing to mitigation of traffic congestion and promoting regional economic development. This is tranche-III loan for the project, it said.

The project for the centre in Mizoram aims to improve access to cancer prevention, detection, and treatment as well as human resource development and research that support cancer control system. This will contribute to achieving universal health coverage through strengthening the healthcare system pertaining to cancer in the state.

India and Japan have had a long and fruitful history of bilateral development cooperation since 1958, it said.

Moodys raises India growth forecast to 5.5%

Moody's Investors Service raised India's economic growth estimate for 2023 to 5.5 per cent from 4.8 per cent pegged earlier, on the back of a sharp increase in capital expenditure in the Budget and a resilient economic momentum.

The central government continued with its capital expenditure push in the recently announced Union Budget. In 2023-24, capex is budgeted at Rs 10 lakh crore which will constitute 3.3 per cent of GDP. The RBI in its Bulletin said that if effectively implemented, it can take India's real GDP growth close to 7 per cent in FY24.

"The Union Budget 2023-24's emphasis on capital expenditure is expected to crowd-in private investment, strengthen job creation and demand, and raise India's potential growth," said the article authored by a team lead by RBI Deputy Governor Michael Debabrata Patra.

Retail industry to reach $2 trillion by 2032

The Indian retail market is one of the fastest growing in the world and is expected to reach $2 trillion by 2032, according to Reliance Retail Director Subramaniam V.

The Indian retail market is estimated at $844 billion in 2022 with the unorganised retail market contributing around 87% of the share, he said.

"The retail market is projected to grow at 10% annually to reach a whopping $2 trillion by 2032 making it the fastest growing retail market of the world," Subramaniam said at an event organised by industry body FICCI here.

Talking about the unorganised retail segment, Subramaniam said it is highly fragmented and lacks modern day infrastructure and technology due to smaller volume and financial resources.

Subramaniam said there is a need to build an operating environment which promotes inclusive and sustainable growth for the sector and government policies and business practices of the big players must support the inclusive growth for the small players of the unorganized players.

"There is a need to build a sourcing ecosystem that supports small producers and manufacturers (SMEs) to modernise their operations to produce high quality products," he said.

Boeing, GMR to convert passenger planes into freighters

Boeing India and GMR Technic signed a contract to convert a Boeing 737 passenger plane to a freighter, designated the 737 BCF. The next phase of Boeing's 75-year partnership with India, according to Chief Strategy Officer Marc Allen, will be represented by this action.

While the American giant wants to increase its complicated aircraft modification skills in India and take advantage of the expanding cargo market demand, Boeing and GMR Aero Technic are setting up the passenger plane to freighter conversion line in Hyderabad.

The investment was made despite the worldwide economic downturn, which has had an impact on the global aircraft cargo industry. Additionally, it supports the US company's expansion into India and follows a record-breaking plane order by the national carrier, Air India.

According to the International Air Transport Association (IATA), the demand for cargo worldwide declined by approximately 15% in January.

According to data source WorldACD, air freight rates are 28% lower now than they were this time last year.

GST mop-up rises 12% to Rs. 1.49 lakh crore

GST collections rose 12 per cent to over Rs 1.49 lakh crore in February, the finance ministry said. February 2023 witnessed the highest cess collection of Rs 11,931 crore since implementation of GST.

The collections are, however, lower than the second highest Goods and Services Tax (GST) mop-up recorded in January at over Rs 1.57 lakh crore. The collection reached an all-time high of Rs 1.68 lakh crore in April 2022.

"The gross GST revenue collected in the month of February 2023 is Rs 1,49,577 crore of which CGST is Rs 27,662 crore, SGST is Rs 34,915 crore, IGST is Rs 75,069 crore (including Rs 35,689 crore collected on import of goods) and cess is Rs 11,931 crore (including Rs 792 crore collected on import of goods)," the ministry said in a statement.

The revenues for the month of February 2023 are 12 per cent higher than the GST revenues in February 2022, which was Rs 1.33 lakh crore.

Normally February, being a 28-day month, witnesses a relatively lower collection of revenue, the ministry said.

Infosys opens Pvt 5G-as-a-service for enterprise clients worldwide

Indian IT services major Infosys announced the roll-out of private 5G-as-a-Service to drive business value for its enterprise clients globally.

Infosys' wireless 5G expertise and its private network management solution ensure high bandwidth, low latency, and reliable wireless connectivity for enterprises, the company said in a statement.

"The private 5G-as-a-Service is customised to the specific needs of clients and is implemented in an agile and timebound manner. To reduce the complexity of deployment, Infosys has pre-integrated the 5G stack from multiple product vendors and tested against different use case requirements," the release said.

Infosys' private 5G-as-a-Service incorporates multi-access Edge Computing (MEC), which reduces network lag by minimising the time required for data processing.

"This enables a much more reliable network operation for high-bandwidth enterprise use cases such as remote-guided vehicles, drone-based real-time analytics, high-definition media and video analytics, metaverse solutions and a variety of IoT/industrial IoT (Internet of Things) applications," it said.

Mittal to merge Airtel Payments with Paytm

Telecom tycoon Sunil Mittal is seeking a stake in Paytm by merging his financial services unit into the fintech giant's payments bank, according to people with knowledge of the matter.

Mittal seeks to fold Airtel Payments Bank into Paytm Payments Bank in a stocks deal and is also seeking to buy Paytm shares from other holders, the people said, asking not to be identified discussing private information. Talks are in early stages and Airtel and Paytm may not reach a deal, the people added.

Shares of Paytm, formally known as One97 Communications, have rebounded about 40% from its record low in November as it shows signs of turning profitable. The company narrowed its third-quarter loss after a drive to add customers boosted revenue, it said in an exchange filing this month. "We remain fully focused on our strong organic growth journey and are not involved in any such discussions," a representative for Paytm said in an emailed statement.

A spokesman for Bharti Enterprises, controlled by Mittal, declined to comment.

Once India's most valuable startup, Paytm has never traded above its IPO price of Rs 2,150 since its listing in November 2021 and had the worst first-year plunge among large IPOs over the past decade. The company's backers include SoftBank and Ant Group.

PM: Agriculture budget rose 5 times since 2014 to Rs. 1.25 lakh crore

India's agriculture sector's annual budget has increased five-fold to Rs 1.25 lakh crore since 2014, Prime Minister Narendra Modi said, as he stressed that his government is focusing on progress of the farm sector and working on mission mode to reduce import dependence of food items like edible oils.

The Prime Minister was addressing a post-budget webinar on 'Agriculture and Cooperatives'. It is the second of a series of 12 post-budget webinars organized by the government to seek ideas and suggestions for the effective implementation of the initiatives announced in the Union Budget 2023.

Modi also outlined the various steps announced in the budget to attract young talent in the sector, and expansion of the cooperative sector across the country.

He stressed that various decisions are being continuously taken in the budget to promote the agricultural sector so that the nation becomes 'atmanirbhar' and the funds used for imports can reach farmers.

Iran currency sinks to 600,000 versus $

Iran's rial currency sank to a record low against the U.S. dollar despite the country's central bank passing measures aimed at cooling demand for foreign currency from savers worried about inflation and the country's economic prospects.

But with stalled nuclear talks with global powers and mounting sanctions, Iran's economic future has many Iranians worried.

The rial was trading at 575,000 on the unofficial free market against the dollar, compared to 540,000, according to foreign exchange site Bonbast.com. The website bazar360.com also gave the rate as 575,000. As the rial was 600,000 to one dollar, meaning it had lost some 20 percent of its value in six days - the fastest in the past two years.

Direct benefit transfers at Rs. 5.5 trillion so far; to surpass FY22 level

Transfer of assorted subsidies and sops to the beneficiaries through the direct benefit transfer (DBT) has reached about Rs 5.5 trillion so far in the current financial year, nearly the same as for the whole of FY21 and just 13% short of the achievement in the whole of FY22.

Given that a lot of dues are cleared in the last month of the year, the DBT transfers are expected to surpass Rs 6.3 trillion achieved in FY22.

Fertiliser subsidies worth Rs 1.9 trillion have been provided to farmers so far in the current financial year, which was 53% higher than Rs 1.24 trillion in the whole of FY22 as input costs and global prices of fertiliser doubled in a year or so.

Given that over two months are still to go before closure of FY23, the subsidised fertiliser to farmers for the whole of the year would be substantially higher than reported so far. The Centre's total fertiliser subsidy bill is estimated to be Rs 2.25 trillion for FY23 as against the budget estimate of Rs 1.05 trillion and the actual Rs 1.54 trillion (including dealer and manufacturer) in FY22.

Subsidies worth Rs 1.5 trillion were transferred to beneficiaries via foodgrains under the public distribution system (PDS) so far in FY23. The food DBT through PDS will likely end the year around Rs 2.2 trillion in FY23, the same as in FY22. The elevated food DBT was due to the free grains scheme.

Among other major DBT schemes, the government's assistance for beneficiaries under Pradhan Mantri Gramin Awas Yojana-Rural (PMAY-R) beneficiaries in FY23 would likely exceed the FY22 achievement of about Rs 40,000 crore. So far in the current fiscal, DBT in PMAY-R has reached Rs 38,638 crore.

IBC recovery best in Q4

Banks could see one of the best quarterly recoveries after the Covid-19 crisis in the fourth quarter of FY23 under the Insolvency and Bankruptcy Code (IBC), 2016, following resolution of Sintex Industries and Reliance Home Finance.

Monies aggregating about Rs. 6,600 crore, are expected to be received from the resolution of Sintex Industries and Reliance Home Finance via the corporate insolvency resolution process (CIRP) under IBC from successful resolution applicants Reliance Industries Ltd (RIL) - Assets Care & Reconstruction Enterprise (ACRE) combine and Authum Investments and Infrastructure, respectively.

This could result in reversal of provisions, thereby boosting banks' bottomline, ad improve the asset quality parameters further.

Banks will be recovering about 48 per cent of the claimed amount of about Rs. 7,800 crore from the resolution of Sintex industries.

Cultivate agri land for capital gains sop: ITAT

Two different benches of the Income Tax Appellate Tribunal (ITAT) - in Chennai and Pune - recently dealt with a similar issue and denied capital gains tax exemptions on sale of land. The reason: No agricultural activities had been carried out.

Exemption under section 54B of the Income Tax (I-T) Act can be claimed in respect of capital gains arising on transfer of agricultural land, provided it has been used for agricultural purpose for at least two years prior to the sale. The capital gains is exempt to the extent such gains is used to buy another agricultural land within three years.

Tax officials point out that it is no longer easy to pass off an income as tax-free agricultural income. Or for that matter, even when a taxpayer claims that a sale is of agricultural land, a range of records - be it land records or, in case of high-value matters, even satellite images - prove handy.

In the case heard by the Chennai ITAT, the taxpayer Keshav Sunderam Rajam was a nonresident. He had invested the capital gains arising from sale of 'agricultural land' by parking Rs 2.4 crore in a capital gains account scheme (the sum so deposited needs to be used for purchase of agricultural land within the specified period) and had paid Rs 1.2 crore to his father to acquire agricultural land in Coonoor. He produced 'adangal' (local land records) to substantiate the land sold was agricultural. The I-T officer denied the capital gains exemption benefit of Rs 3-odd crore on the grounds that the land sold had not been used for agricultural purposes.

Apparel biz thrives in insurgency zone

Women from the interior areas of Dantewada district, which was once infamous for deadly Maoist violence, have created a niche for themselves not only as skilled labourers but also as successful entrepreneurs.

Over 1,000 women are associated with "Dannex" or Dantewada Next, the unit engaged in manufacturing readymade garments.

They come from interior villages of the district that were cut off from the mainstream of the society because of Maoist violence.

A senior official associated with the project said the traditional practice of providing employment to women meant recruiting them by imparting knowledge of a specific technical skill.

But the Chhattisgarh government has come with an innovative approach and established industries not just to provide employment to women, but also to hand over the entire management to them.

With this vision, the brand Dantewada Next or "Dannex" was started.

On January 31, 2021, the first unit of Dannex was inaugurated by chief minister Bhupesh Baghel at Haaram village under Gidam development block in Dantewada district. After Haaram, now a total of five units of Dannex have been established in Katekalyan, Chhindnar, Barsur, and Kaarli in the same district.

AI training solutions will drive demand for tech talent: RWS

AI training solutions for industry and enterprise-specific use cases will drive talent demand with the growing prevalence of generative AI solutions even as globaltech companies slow down hiring, Ian El-Mokadem, CEO, RWS Group, told.

RWS Group is a technology-enabled language, content and intellectual property services provider. He further stated that there is a huge demand for content-techsolutions produced from India for the world as well as within the local market as well.

"There is an entire industry emerging that will train AI algorithms to capture data,use and store it safely and ethically. We see generative AI as just another source of content, which our clients and our consumers are going to have to kind of trust, and be dealt with in different ways," said El-Mokadem.

RWS finds increasing requests for access to local markets. Coco-Cola, Nielsen and Jaguar Land Rover are among the large clients serviced by the company globally.

TDS on online gaming to be applicable from April 1

The tax deducted at source (TDS) on online gaming applications will now be effective from April 1, 2023 as opposed to an earlier proposed date of July 1, 2023, according to amendments made to the Finance Bill, 2023 which was passed in Parliament.

The gaming industry had earlier called for making the change. Shashi Mathews, Partner, IndusLaw said, "The TDS on the online gaming was also proposed to be deducted at the double rate, in case of non-compliance in return filing by the concerned deductee, where the TDS amount in the past year was more than Rs 50,000. It appears that these amendments have now been accepted. This may require gaming operators to seek an undertaking and proof from the users, to ensure proper compliance with this provision".

Credit card use for travel abroad under LRS ambit

Credit card payments for foreign travel will be brought under the purview of the Liberalised Remittance Scheme (LRS) of the Reserve Bank, to ensure that such expenses do not escape TCS (Tax Collection at Source). While moving the Finance Bill 2023 for consideration and passage in the Lok Sabha, Finance Minister Nirmala Sitharaman said the Reserve Bank has been asked to look into ways to bring credit card payments on foreign tours under the LRS.

GST appellate tribunal to be formed

Lok Sabha cleared changes in the Finance Bill to pave the way for setting up of an appellate tribunal for resolution of disputes under GST.

Currently, taxpayers are filing writ petitions before high courts in the absence of the appellate tribunal.

As per the amendments proposed in the Finance Bill 2023, which was passed by Lok Sabha benches of the GST Appellate Tribunal would be set up in every state while there will be a principal bench in Delhi which will hear appeals related to 'place of supply'.

Even after more than five years of implementation of the Goods and Services Tax (GST), the appellate tribunal has not been set up. As a result, unresolved legal matters under GST have accumulated.

Nangia Andersen India's Tanushree Roy, Director- Indirect Tax, said establishment of the appellate tribunal would result in lower burden on high courts, Supreme Court and at the same time, would also provide taxpayers the much needed reprieve.

"This is certainly a welcome and a positive move, ending the industry's long wait for establishment of the GST Appellate Tribunal," Roy said. ❑

Mutual Fund News

428 fund managers handling Rs. 40 trillion only 42 are women

Women's representation in fund management remains in single digits in percentage terms, even as their absolute count has risen sharply in 2023. According to the latest report from Morningstar, as on January 31, 2023, the total mutual fund (MF) industry's assets came to approximately Rs 39.62 trillion.

This total was managed by 428 fund managers across fund houses, of whom, only 42 were women, or 9.8 per cent of the total count of MF managers.

In terms of assets under management (AUM), the share of women stood at 11 per cent, or Rs 4.4 trillion, at the end of January, reveals a report shared by Morningstar.

While the overall count of women fund managers is growing, their share in AUM is declining steadily, observes the report. "Last year, women managed 11.98 per cent of the total MF assets," it says.

The year 2022 marked a shift in trend when it came to the quantum of assets being managed. The total assets being managed by women as of January 2023 is lower than in January 2022. "This dip may be attributed to two prominent names that exited the MF management industry last year - Swati Kulkarni (UTI MF) and Lakshmi Iyer (Kotak MF). Both managed a fair amount of corpus among themselves," adds the report.

PFRDA pension funds grow 23% to Rs. 8.8 lakh crore in 1 year

Total assets under management (AUM) under the National Pension System (NPS) and Atal Pension Yojana increased by 23.4% to Rs 8.8 lakh crore as on March 4, 2023 from Rs 7.1 lakh crore a year ago.

According to data released by the Pension Fund Regulatory and Development Authority (PFRDA), the increase in assets was due to number of subscribers under the NPS rose to 624.8 lakh as on March 4, 2023 from 508.5 lakh in March 2022, showing a year-on-year increase of 22.9%.

In absolute terms, the highest contribution to the pension corpus during the year continued to come from state governments despite some of them announcing decision to exit the scheme. The AUM of state government pension rose 22.5% to Rs 4.4 lakh crore, an increase of 80,592 crore. This is half of the total increase in assets under management. The number of accounts under state government scheme rose 9.4% year on year to 60.7.

In percentage terms, the highest growth has been recorded by the All Citizen Model scheme where the AUM has grown 36.7% to Rs 41,302 crore. The number of accounts under this segment have grown 32% to 28.4 lakh crore. The slowest growth in AUM was under the central government scheme which grew 18.6% in the past 12 months largely because the number of employees grew only 4.8%.

SEBI asks Mutual Funds from assuring fixed returns

SEBI has asked mutual funds to refrain from assuring fixed returns to investors while advertising their products. The market regulator has directed fund houses to remove all such advertisements or presentations in circulation.

In a letter to the Association of Mutual

Funds in India (AMFI), Sebi observed that fund houses include certain illustrations in their advertisements, presentations and brochures that can "lead investors to believe that they will be receiving fixed returns for their investments".

"Illustrations are shown depicting future returns on the basis of assumptions and projections. Disclaimer and assumptions are made in fine print that are likely to be missed out by the investors," the letter stated.

The letter specifically highlights the use of systematic switch plans (SWPs) in illustrations to indicate regular returns.

SWP is the opposite of SIPs as they allow investors to withdraw a certain portion of their corpus every month. The facility is mostly used by retirees to meet their regular expenses.

The regulator has asked fund houses to abide by the advertisement code set by Sebi. The regulations do not allow fund houses to promise returns to investors since mutual funds invest in equity and debt markets, which go through ups and downs depending on various factors.

Qualified Stock Brokers: How are they crucial for markets?

National Stock Exchange (NSE) issued a list of 15 designated Qualified Stock Brokers (QSBs), including Zerodha Broking, 5paisa Capital, HDFC Securities, ICICI Securities, Anand Rathi Share and Stock Brokers, Angel One, IIFL Securities, Kotak Securities, and Motilal Oswal Financial Services. This list was announced following a February 2023 direction by the capital markets regulator Securities and Exchange Board of India (Sebi).

Sebi defines QSBs as entities who, because of their size and scale of operations, can likely impact investors and the securities market, as well as governance and service standards. These stock brokers cater to the needs of a large number of investors.

A stock broker will be designated as QSB on the basis of four parameters - number of active clients, total available assets of clients, trading volumes. and end-of-day margin obligations. All stock brokers with a total score greater than or equal to five on these four parameters are identified as QSBs. Sebi said it may include more QSBs by considering additional parameters such as compliance, grievance redressal scores and proprietary trading volumes.

The scores are to be calculated on an annual basis (financial year) and the revised list of QSBs will be released jointly by stock exchanges, in consultation with Sebi.

A stock broker designated as a QSB is required to meet enhanced obligations and discharge responsibilities to ensure appropriate governance structure, appropriate risk management policy and processes, scalable infrastructure and appropriate technical capacity, framework for orderly winding down, robust cyber security framework, and investor services.

SEBI tightens norms for securities buybacks

The capital markets regulator Sebi placed restrictions on placement of bids, price and volume on companies going for buyback of securities through stock exchange route.

"The company shall not purchase more than 25 per cent of the average daily trading volume (in value) of its shares or other specified securities in the ten trading days preceding the day in which such purchases are made," Sebi said in a circular. Under the route, a company will not place bids in the pre-open market, first thirty minutes and the last thirty minutes of the regular trading session. Its purchase order price should be within the range of ±1 per cent from the last traded price.

All companies as well as their appointed brokers should ensure the compliance with the provisions, Sebi said, adding that the stock exchanges should monitor these compliance and in case of any non-compliance, they should impose appropriate fines or other enforcement actions as deemed fit.

On the margin requirement for deposits in an escrow account, Sebi said the escrow account shall consist of cash and/or other than the cash.

DSP Mutual Fund launches special hotline for women

DSP Mutual Fund has launched an exclusive hotline for women to encourage them to learn more about investing. Women can give a missed call on 8657011333 if they want to learn more about mutual funds, investing or simply about how they can take their first steps toward building a financial plan, a press release said.

Women think differently than men and may need more personalized guidance based on their attitude towards money and their confidence levels, said the release.

DSP's Winvestor Pulse 2022 Study, conducted with research agency partner

YouGov, revealed that nearly 2 out of 3 Men (65%) take Investment decisions largely independently but a much smaller percentage (44%) of women do so. The study also found that a much higher proportion of men (40%) when compared to women (27%) take entirely independent investment decisions (without even consulting a professional advisor).

SBI Mutual Fund raises Rs 3,600 crore through dividend yield NFO

SBI Mutual Fund said it has mobilised around Rs 3,600 crore in its New Fund Offer (NFO) for a dividend yield fund offering, giving it a market share of over 25 per cent in the segment. The fund house collected the amount on the back of a strong promotion in regional languages, with around 1.23 lakh applications from 70 per cent of pin codes in the country and around 40,000 new investors.

The NFO of SBI Dividend Yield Fund was opened during February 20 to March 6, and it will reopen for subscriptions on March 17, the company said in a statement.

With this fund collection, SBI Mutual Fund now commands over 25 per cent share, the largest in the Dividend Yield category, which now has a total assets under management of Rs 13,844 crore.

The fund house believes that the category has a lot of potential and dividend yield funds should be part of an investor's portfolio, especially those looking to invest directly in equity or looking for a regular cash flow from dividends.

Outflows in debt mutual funds continue, Rs 13,815-crore withdrawn in Feb 23

Mutual funds focused on investing in fixed-income securities witnessed an outflow of Rs 13,815 crore in February, making it the third month of withdrawals in a row despite expectations that the rate hike cycle was nearing its end. In comparison, such funds saw an outflow of Rs 10,316 crore in January and Rs 21,947 crore in December.

Prior to that, debt funds saw a net infusion of Rs 3,668 crore in November 2022, data from the Association of Mutual Funds in India (AMFI) showed.

Of the 16 fixed-income or debt fund categories, nine witnessed net outflows during the month under review and the remaining six saw inflow. The heavy withdrawal was seen from liquid funds. Overall, debt funds continued to witness outflows at Rs 13,815 crore during the period under review.

Kotak Mutual Fund launches Kotak Silver ETF Fund of Fund

Kotak Mutual Fund announced the launch of Kotak Silver ETF Fund of Fund, an open-ended fund of fund scheme that invests in units of the Kotak Silver ETF.

In the past, silver as a commodity had provided protection during crisis. For instance, during the recent Russia-Ukraine conflict, while the Nifty 50 fell by 10%, silver prices surged by 12% according to a release.

Investment in Kotak Silver ETF Fund of Fund can be simple and accessible, as it can be done even without a Demat account, like any Mutual Fund scheme. There are also other advantages that the scheme can offer like diversification, easy liquidity, no making charges, and no storage costs.

Nilesh Shah, Managing Director, Kotak Mahindra Asset Management Co, said, "We are launching Kotak Silver ETF Fund of Fund to make it easier for investors to diversify their portfolios with convenient access to this precious metal, which has various industrial applications. The current Silver prices present a potential opportunity for those interested in allocating funds to this asset in the medium to long term."

Mutual fund industry being vilified baselessly, says AMFI

Association of Mutual Funds in India (AMFI) has said the industry is being vilified baselessly as the segment has the lowest customer complaints in the entire financial market space, as it follows the most transparent and disclosure-based reporting. The global funds tracking body Morningstar ranks India on top of 26 countries, when it comes to regular monthly fund disclosures, according to AMFI chief executive NS Venkatesh.

AMFI gets complaints from investors as well as distributors directly and also through the regulator Sebi, he added.

On the basis of the type and nature of complaints, these are broadly classified into routine and serious complaints, he said.

Routine complaints include non-receipt of dividends, non-receipt of account statement, non-receipt of commission and non-updating of record.

Serious complaints are manipulation in application forms, malpractices followed in marketing units, funds and serious deficiencies in services provided by distributors, among others.

IDFC MF to be rebranded as Bandhan MF

The Bandhan Financial Holdings-led consortium is set to launch a new brand identity for IDFC Mutual Fund, a statement said.

As a result, the fund house's schemes will be renamed, with the word Bandhan' replacing 'IDFC' in each of them.

The new brand logo will also be unveiled, closely resembling the Bandhan Bank logo, but with additional colours and styling, the statement said.

Regulators had objected to the use of Bandhan Bank logo for mutual fund operations.

IDFC Asset Management Company was acquired by the consortium, which comprises Bandhan Financial Holdings Limited, GIC, and ChrysCapital.

Bandhan holds 60% of the acquired entity, with control of operations, while the other two will hold 20% each in the AMC.

BFHL will be the sponsor of the mutual fund. The underlying investment strategy, processes, and team will remain the same, so investors can benefit from the same high-quality investment approach that the fund house is reputed for, the statement said.

Axis Mutual Fund launches Axis S&P BSE Sensex ETF

Axis Mutual Fund has announced the launch of their New Fund Offer of Axis S&P BSE Sensex ETF, an open-ended Exchange Traded Fund tracking S&P BSE Sensex TRI. Ashish Naik will manage the fund.

The minimum investment amount is Rs. 5,000 and in multiples of Re 1. The new fund will track the S&P BSE Sensex TRI benchmark and endeavor to generate alpha by investing in domestic equity ETFs based on the fund manager's top down investment view.

ETFs are soon becoming one of the most popular vehicles of investing in passive strategies as they replicate the portfolio of the underlying index while trading in bite sized units on an exchange at market determined prices.

The investment objective of the Axis S&P BSE Sensex ETF is to provide returns before expenses that correspond to the total returns of the S&P BSE Sensex TRI Index subject to tracking errors.

According to the fund house, the Scheme endeavors to invest in stocks forming part of the underlying index in the same ratio as per the index to the extent possible. Essentially, 95% to 100% of the investments will be made in equity instruments covered by S&P BSE Sensex TRI and the remaining in Debt and Money Market investments. To that extent follows a passive investment strategy, except to the extent of meeting liquidity and expense requirements.

Sebi asks MFs to remove ads that 'mislead' investors on returns

The Securities and Exchange Board of India (Sebi) has asked mutual funds to remove all advertisements or illustrations that mislead investors on returns.

In a letter dated March 3, the capital markets regulator directed the industry body Association of Mutual Funds of India (AMFI) to ask fund houses to refrain from this practice and remove promotional material such as advertisements, illustrations, pamphlets, and brochures that make these claims.

India markets regulator allows private equity firms to own mutual fund companies

India's markets regulator on Wednesday decided to tweak rules governing its 39.46 trillion rupees ($480.52 billion) mutual fund industry, allowing private equity firms to back Asset Management Companies(AMCs).

The Securities and Exchange Board of India (SEBI) said a private equity firm or its manager should have at least five years of experience managing funds and investing in the financial sector, and should have managed committed and drawndown capital of not less than 50 billion rupees on the date of application.

Currently India only allows financial services firms and corporates to back an AMC. SEBI also prescribed more disclosures around environment, social and governance (ESG) issues.

India's markets regulator will adopt "a principles-based, rather than prescriptive," approach in its first set of rules for rating a company on environment, social and governance (ESG) issues, it said in a statement.

It also announced enhanced disclosures by ESG ratings providers for mutual funds investing on those metrics and for listed companies, while mandating that 65% of assets of ESG focused mutual fund schemes should be in companies which make comprehensive related disclosures. ❑

Co-Operative Bank News

RBI imposes restrictions on Musiri Urban Co-operative Bank; caps withdrawal at Rs 5,000 per customer

The Reserve Bank of India imposed a Rs 5,000 cap on withdrawals by individual customers from Tamil Nadu-based Musiri Urban Co-operative Bank as part of several restrictions slapped on the lender due to its deteriorating financial condition. The restrictions on the lender will remain in force for six months from the close of business on March 3 and are subject to review, the RBI said in a statement.

With curbs in place, the cooperative bank, without approval of the RBI, cannot grant loans, make any investment, and disburse any payment. The lender cannot also dispose of any of its properties, among others.

"In particular, a sum not exceeding Rs 5,000 of the total balance across all savings bank or current accounts or any other account of a depositor, may be allowed to be withdrawn...," the RBI said.

Further, it said that eligible depositors would be entitled to receive deposit insurance claim amount of his/her deposits up to Rs 5 lakh from the Deposit Insurance and Credit Guarantee Corporation.

The RBI, however, said the directions should not per se be construed as cancellation of the banking licence.

"The bank will continue to undertake banking business with restrictions till its financial position improves," it said, adding that it may consider modifications of the directions depending upon circumstances.

Bombay High Court quashes CM Shinde's decision over recruitment in co-op bank; slams him for interference

The Nagpur bench of the Bombay High Court has quashed the decision of Maharashtra Chief Minister Eknath Shinde to stay the recruitment process of a co-operative bank, noting that the CM has no powers to review or modify the calls taken by the minister concerned. A division bench of Justices Vinay Joshi and Valmiki SA Menezes in its order of March 3 termed Shinde's decision "wholly unwarranted and without authority of law".

The order was passed on a petition filed by Chandrapur District Central Cooperative Bank Ltd. and a businessman named Santoshsingh Rawat, who had been elected as its chairman, opposing Shinde's decision.

According to the plea, the CM's order was passed at the behest of local politicians allocated to the Incharge-Minister," the court said in the order.

The CM was not the head of the "Co-operation Department", but the said department was assigned to a separate minister, the bench said. "There is no authority/power vested in the Chief Minister as per Rules of Business and Instructions to have supervisory powers over the decision taken by the concerned Minister. Nor do the Rules indicate that the Minister is subordinate to the Chief Minister as regards independent functioning of a department assigned to him by the Rules," it added.

The court further held that the minister in charge of a department is responsible for the affairs thereof and the minister's directives would assume the character of an order passed by the state government.

"No doubt the order of granting permission for recruitment is of administrative nature which can be reviewed, but only by the In-charge-Minister. The intervention of the Chief Minister is not authorized under the Business Rules and the Instructions issued thereunder," it said. ❑

Legal News

HC: Authorised signatory in Company's bounced cheque is not 'drawer'

In a landmark judgment, the Bombay high court held that in case of corporates issuing cheques that bounce, the authorised signatory is not the 'drawer' and not liable to pay interim compensation of up to 20% to a complainant. Only the company is, pending trial.

"It is held that every person signing a cheque on behalf of the company on whose account a cheque is drawn does not become a drawer of the cheque. Such a signatory is only a person duly authorised to sign the cheque on behalf of the company - drawer - of the cheque," held Justice Amit Borkar. He was dealing with a batch of petitions to decide the common law points raised.

The HC did not extend the definition of drawer to company directors or authorised signatories. It said, "The expression 'drawer' in section 138 has not been interpreted to include either signatory of the cheque or the signatory director." Section 148 of Negotiable Instruments (NI) Act deals with power of appeal court, in an appeal by the drawer against conviction, to direct appellant to deposit minimum 20% of compensation given by trial court.

The HC held that when appeal against conviction in a cheque bouncing case is filed by a person other than the 'drawer', "deposit of minimum 20% fine or compensation is not necessary" under the provisions of the NI Act. But, it added, the appeal court can order such deposit, pending appeal, under a provision of the code of criminal procedure, to suspend sentence.

The HC held, "The signatory of the cheque, authorised by the 'company', is not the drawer in terms of section 143A (provision for interim compensation) of the NI Act and cannot be directed to pay interim compensation under section 143A."

A company is a separate legal entity, distinct and independent of persons that constitute it, noted the HC. Senior lawyers hailed the judgment dealing with scope of interim compensation underthe 2018 amendment to the Negotiable Instruments Act as being "revolutionary" and see its impact nationwide.

Lyka Labs and Venugopal Dhoot of Videocon Group were among the petitioners in a batch of over a dozen matters before the HC.

Senior counsel Aabad Ponda, appearing for an accused, in detailed submissions, said in a company where the account is in the company's name, the signatory of the company's cheque does not become the drawer.

Senior counsel Sharan Jagtiani had argued for a complainant that "authorised signatory of a company becomes the drawer for the purpose of sections 138 and 143A (interim compensation) of the NI Act as he has been authorised to do so in respect of the account maintained by the company".

Section 143A of the NI Act confers discretion on court to direct 'drawer' of cheque to deposit maximum 20% of the cheque amount as interim compensation, before determination of guilt.

Ponda argued, "To attract liability under section 138 (dishonour of cheques) of the NI Act, the cheque must be drawn from the account of the drawer. ...word 'drawer' can never be construed to mean signatory of a cheque from whose account the cheque is not drawn."

The SC had held that to maintain prosecution under section 141 (offence by companies) "arraigning of a company as an accused is imperative". The HC noted that the SC laid down that cheque bouncing "offence under section 138 of NI Act is capable of being committed only by the drawer of the cheque".

Rijiju, SC Judge Kaul point to significance of artificial intelligence in arbitration

Union law minister Kiren Rijiju and Supreme Court judge, Justice Sanjay Kishan Kaul, underscored the significance of artificial intelligence (AI) in the field of arbitration.

Rijiju said that AI could be used to assist arbitrators in drafting awards and identifying trends. The government was capable of enhancing digital capability and developing a strong arbitration ecosystem, he said, adding: "The aim is to encourage arbitration for smaller, contractual disputes, especially where parties are small or medium-scale business owners."

Justice Kaul said that to explore the possibility of using AI, the Supreme court has formed an AI committee to look into the possibility of using it. "For arbitration, AI can be used for selective expert arbitrators. However, AI tools must be used carefully because they come with risks of due process rights and public policy violation," he cautioned.

The duo was speaking at the concluding session of the Delhi Arbitration week organised by the Delhi International Arbitration Centre.

Speaking on the upcoming Mediation Bill, Rijiju said that the valuable suggestions given by a committee to improve the bill have been considered. He added that when the "draft bill comes out, it will be wonderful".

Underlining the importance of arbitration in India, Rijiju said a strong robust arbitration must have the backing of the executive and the judiciary. "Currently, the majority of arbitrations in India are ad hoc. If India has to become a global hub of arbitration, we have to follow international practice since ad hoc arbitration becomes susceptible to judicial intervention," he added.

Rijiju added all arbitration centres were complementary to each other and healthy competition was needed to scale up India on the global map and there was no place for conflict between the centres.

Justice Kaul said that institutional arbitration had seen a positive landscape in India. "The Mediation Bill which will see the light of the day this year is also geared towards institutionalising this system.

The Supreme Court has been very slow in interfering with the awards passed by the arbitrators. Parties must learn to accept the awards and unfortunately the public sector more so requires this and there is no need to carry the battle forward," he added.

CJI: Govt takes SC seriously, sensitive to infra demands

CJI DY Chandrachud on Friday said that the Union government takes the Supreme Court very seriously and has acceded to its Rs 7,000 crore demand for e-courts project and judicial infrastructural needs without cutting even a single rupee even as other departments suffered cuts in budgetary allocations.

“The government takes the SC very seriously. We made a detailed project report on Rs 7,000 crore budgetary estimate for e-courts and judicial infrastructural needs. The government sanctioned the entire amount and didn’t cut a single rupee from what we demanded. Other departments suffered budgetary cuts,” said the CJI, who was heading the bench comprising Justices Sanjay Kishan Kaul and PS Narasimha.

His remark came during a hearing on a petition filed by SC Bar Association seeking a direction to the Union government for considering a proposal for acquisition of land and buildings in SC’s vicinity to create chamber space for thousands of advocates.

When SCBA president Vikas Singh raised the acute need of chambers for its members, many of whom are waiting for it for decades, similar claims were made by SC Advocates on Record Association (SCAoRA), women advocates and Bar Council of India, creating a cacophony.

“Lawyers are part of the institution. If the SC passes judicial orders, it will give rise to a disquiet that judicial powers are being used to further its own interest. Trust the court to take up lawyers’ needs with the government on administrative side,” the bench said.

The CJI said, “We can’t bulldoze the government with our administrative needs. The tradition is to engage on administrative side. We will engage with the government about the infrastructure needs of advocates.” ❑

ICICI Bank offers Ecosystem Banking for Indian Startups

ICICI Bank today announced that it offers a comprehensive bouquet of digital and physical solutions to cater to all banking needs of startups across their various life stages.The Bank provides innovative solutions through its domestic and international network, and branch at GIFT City, the Gujarat-based emerging global financial and IT services hub.

The 'Startup Ecosystem Banking' proposition of the Bank offers treasury and transaction banking solutions, lending solutions, digital integrations, handling FDI and regulatory compliances, personal banking services for employees and founders.

ICICI Bank provides comprehensive solutions through its domestic network and international presence at New York, Toronto, London, Dubai, Singapore and Hong Kong. The ecosystem banking is further enhanced by the Bank's presence at GIFT City.

Mr. Rajesh Rai, Business Head- West & South, Branch Banking, ICICI Bank said, "India has emerged as the third largest startup ecosystem in the world, underlining the country's vibrant and innovative startup culture. At ICICI Bank, we offer improved convenience to these new-age businesses through agile and technology led solutions across their life stages. Through our comprehensive 'Startup Ecosystem Banking', we support the emerging requirement of Indian startups and aim to become the preferred bank of choice in their growth journey."

As part of the 'Startup Ecosystem Banking' the Bank has put in place a dedicated team for startups that serves them through an extensive network of branches.

At the GIFT City branch, the Bank offers digital opening of Global Foreign Currency Current Account (GFCCA) for overseas holding companies and subsidiaries of Indian startups. This can be done seamlessly within one working day of submission of required documents, which is significantly lower than the industry practise of at least five days.

Bank of Maharashtra goes live with "MAHABANK NAKSHATRA" Bank's own Private Cloud Platform

Bank of Maharashtra (BoM), a premiere public sector bank in the country, has embarked its footprint in adoption of Private Cloud Infrastructure by launching "MAHABANK NAKSHATRA" - Bank's own Private Cloud Platform. This facilitates High-Performance Cloud Capabilities for Digital Infrastructure and hosting applications of the Bank.

On the occasion Shri A.S. Rajeev, MD & CEO, Bank of Maharashtra said, "Adoption of Cloud Technology is the need of the hour and Bank is responsive in adopting platform to achieve "Convenience –Resilience & Experience" and to accelerate its digital services in robust way. Shri Rajeev opined "The infrastructure enhancement will add fillip to digitization and augur multiple avenues while boosting Bank's Digital Transformation efforts with service delivery convenience to our customers".

Shri Asheesh Pandey, Executive Director, Bank of Maharashtra said "Having our own private cloud platform is in continuation to our commitment to ramp up our digital infrastructure towards achieving high level of customer centricity and innovation, with sustainable measures. This will spur performance and reliability further with next generation technology inclusion. Shri Pandey opined, "Through Cloud Technology, we envisage to enhance our digital delivery mechanism, along with elevating the operational efficiency which remains our primary objective."

NAKSHATRA - BoM's own Private Cloud & Virtualization Technology, is built to host double than the existing applications. It provides super flexibility, scalability, enhanced security and modern infrastructure for hosting of its digital applications. Nakshatra is sized for 2X Computation & 3X storage with all Flash vSAN Storage with NSX-T with higher speed and is augmented to cater bank's digital journey workload for next 3 years.

With NAKSHATRA having automation, virtualisation, control layers in its quiver, Bank is also geared up to pilot Orchestration capability by deploying software-defined networking (SDN), software-defined storage (SDS), and network function virtualization (NFV) way forward.

BoM is consistently enhancing its technology infrastructure platforms to establish itself as a next-generation digital savvy Bank and cloud adoption will enable the Bank in early implementation of technology solutions.

India Exim Bank lists its maiden benchmark-sized 10-year Sustainability Bond at India INX, GIFT IFSC

The Listing Ceremony for India Exim Bank's maiden USD 1 billion, 10-year Sustainability Bond under its Environmental Social Governance (ESG) Framework was held on March 03, 2023, at India INX, GIFT IFSC, by Ms. Harsha Bangari, Managing Director, and Shri Tarun Sharma, Chief Financial Officer of India Exim Bank, in the presence of Dr. Vivek Joshi, Secretary, Department of Financial Services, Ministry of Finance, Government of India, and Shri Injeti Srinivas, Chairperson, International Financial Services Centres Authority (IFSCA).

On January 10, 2023, India Exim Bank successfully issued its maiden 10-year Sustainability Bond of USD 1 bn in the 144A/Reg-S format, under its ESG Framework. With this issuance, India Exim Bank became the first Indian issuer to open the markets for dollar and sustainability bond issuances in 2023. On the back of a strong start to the year and a constructive market, India Exim Bank capitalised on the strong demand, with an intraday execution and initial price guidance tightening of 30 bps to end at CT10+190 bps, inside of its secondaries and at par with the fair value point on the curve. In terms of geographic distribution, the bonds were well distributed, with 39% in EMEA region, 32% in APAC and 29% from the USA. In terms of distribution, the bonds were distributed to high quality investors with around 70% distributed to fund and asset managers, 12% to Banks, and 10% to Sovereign Wealth Funds, followed by insurance/ pension corporations, private banks and others.

Speaking on the occasion, Dr. Vivek Joshi, Secretary, Department of Financial Services, Ministry of Finance, Government of India, said "The Government of India's vision for GIFT-IFSC is aligned with the vision of Aatmanirbhar Bharat, thus making India a global financial hub. Today, having the listing ceremony of India Exim Bank's maiden USD 1 billion 10-year Sustainability Bond, itself is testimony towards our commitment to strengthen the role of India INX and the GIFT-IFSC, in India's climate action goals."

Shri Injeti Srinivas, Chairperson, IFSCA said, "We are pleased to note that India Exim Bank has listed their USD 1 billion sustainability bond on India INX. The capital raised by India Exim Bank, amongst other things, will be used for financing green and social projects in developing countries, thus strengthening India's role in driving capital flows and capacity building in the area of sustainable finance in the Global South. This issuance is in line with the IFSCA's objective to mobilize sustainable finance through GIFT IFSC."

Ms. Harsha Bangari, Managing Director of India Exim Bank, said, "We are delighted to open the debt market for Indian issuers with our maiden benchmark-sized sustainability bond under our ESG Framework. This issuance showcases our strong commitment towards sustainable financing both in India and partner developing countries, and to align ourselves with the global best practices. India INX has been a pivotal platform for our bonds, and it makes us proud to say that India Exim Bank is cumulatively the largest bond issuer listed on India INX. Today's ceremony is indeed very special to us, as it is the first time we are having the Listing Ceremony at the India INX GIFT city."

Shri Tarun Sharma, Chief Financial Officer, India Exim Bank, added "India Exim Bank has been actively monitoring the market for an issuance opportunity. The quasi-sovereign nature of the Bank, EMBIG index eligibility of the bonds, and the commitment towards sustainable financing garnered significant interest from marquee investors, with a peak orderbook of 3.7X. India Exim Bank's 2033 Sustainability Bond effectively reopened the G3 market for Indian issuers after nine months since last issuance in March 2022. India Exim Bank has consistently worked towards enhancing its ESG initiatives, along with transparency and communication with its stakeholders. With facilities comparable to leading international finance centres, we look forward to continue listing at the India INX and play a pioneering role towards the development of the Exchange".

Commenting on the listing, Mr. Arunkumar Ganesan, Chief Business Operations and Listing at India INX said "We are pleased to welcome on our exchange the largest sustainability bond issuance of USD 1 bn by India Exim Bank. GIFT IFSC is emerging as a preferred destination for raising of capital for sustainability and with strong partners such as India Exim Bank, who have from the very inception supported the cause of IFSC, we are positive that IFSC shall emerge as a gateway for mobilizing foreign capital towards green financing and sustainable financing in India. With this, the total bonds listed on India INX are now over USD 50 bn. We congratulate India Exim Bank on their success and look forward to a very healthy pipeline of Indian issuers in the current year". ❑

JAN SAMARTH : A DIGITAL FULCRUM FOR CREDIT LINKED SCHEME

The Initiative of Central Government:

The Prime Minister of India Shri Narendra Modi has launched Jan Samarth Portal on 6th June 2022 which is focused to connect beneficiaries directly to lenders. Jan Samarth is the new digital initiative of the Central Government for Atmanirbhar Bharat. The portal is named as National Portal for Credit linked government schemes.

As per the directive from Government of India, Ministry of Finance Department of Financial Services, a national portal is created for Credit Linked Government Schemes named 'Jan Samarth' for streamlining the process of credit delivery through a digital platform that will provide a single interface for multiple stakeholders. This is first of its kind of digital platform directly connecting lenders with beneficiaries. It will improve the ease of living for the common man.

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It is unique digital portal linking 13 credit linked government schemes on a single platform for the ease of access to all the beneficiaries and related stake holders. The core objective of Jan Samarth Portal is to promote inclusive growth and development of various sectors by guiding and providing them to the right type of government benefits through simple and easy digital process. The portal ensures end to end coverage of all the processes and activities of all the linked schemes.

The portal uses cutting edge technologies and smart analytics to provide intuitive guidance to beneficiaries for checking subsidy eligibility and auto recommendation system offers best suitable schemes as per beneficiary's requirements and credentials. Advanced technologies automate entire lending processes based on digital verifications making the entire process simple, speedy and hassle free. The portal ensures end to end coverage of all the linked schemes.

This portal will connect various stake holders of the financial eco system on a single platform to promote inclusive development and ease of doing business. The portal will connect the following:

- ❖ Applicants (Beneficiaries)
- ❖ Lenders and Financial Institutions
- ❖ Central/ State Government Ministries
- ❖ Nodal Agencies
- ❖ Facilitators

Digital Integrations:

Jan Samarth Portal, is having multiple integrations with the platform with UIDAI, CBDT, NSDL, LGD etc. These integrations provide a backbone of digital access to authenticate data, reducing hassles of Member Lending Institutes (MLIs) as well as beneficiaries to choose from multiple options offered by various MLIs onboarded on the portal.

It is a type of portal where various ministries, nodal agencies and lenders come together to ensure fast, smooth and secure subsidy availing process for beneficiaries. At present more than 8 ministries, more than 10 nodal agencies and more than 125 lenders are together present on the platform. The lenders include public and private sector banks along with the other lending institutions. It is a type of open architecture enabling state governments and other institutions to also onboard their schemes on this platform in the future.

Schemes covered on Jan Samarth:

The portal is launched with an initial inclusion of 13 schemes Credit Linked Schemes under the 4 different categories.
Category I: Education Loan (3 Schemes)

Category II: Agri Infrastructure Loan (3 Schemes)

Category III: Business Activity Loan (6 Schemes)

Category IV: Livelihood Loan (1 Schemes)

Under the category I for the education loans, the following 3 schemes are covered:

a. **Central Sector Interest Subsidy (CSIS):** The scheme will be applicable for the education loans for pursuing education within India. NAAC accredited institutions offering profession/ technical courses of professional/ technical program accredited by NBA or Institutions of national importance or Centrally Funded Technical Institutions (CFTIs) will be eligible. The subsidy can be claimed only once, either for UG, PG, or integrated courses. Maximum amount of Rs.7.50 lakhs (irrespective of sanction amount) is eligible for subsidy if sanctioned without any collateral security or third-party guarantee. The annual gross parental/ family income from all sources should not exceed Rs.4.50 lakhs. The interest subsidy is towards the interest charged in the loan account during the course and moratorium period only.

b. **Padho Pradesh Scheme:** The main objective of the scheme is to award interest subsidy to meritorious students belonging to economically weaker sections of notified minority communities. The eligible students who secured admission to higher studies abroad viz. Masters, M. Phil and Ph.D levels only. The students belong to EWS of minority communities with an annual gross family not more than Rs. 6.00 lakh; for the loan amount up to Rs.20.00 lakh. The subsidy is available for interest charged on the loan amount disbursed during a financial year for a course and moratorium period only.

c. **Dr. Ambedkar Central Sector Scheme:** The scheme is applicable for the students secured admission to higher studies abroad viz. Masters, M.Phil and Ph.D levels only. The eligible students who belong to OBC & EBC an annual gross income not exceeding Rs.8.00 lakhs & Rs.2.50 lakhs respectively. The maximum eligible loan amount is up to Rs.20.00 lakh.The subsidy is available for interest charged on the loan amount disbursed during a financial year for a course and moratorium period only.

Under the category II for the Agri Infrastructure Loans, the following 3 schemes are covered:

a. **Agri Clinic and Agri Business Centers Scheme (ACABC):** The eligible beneficiaries should have diploma/ degree/ post graduate education qualifications in Agriculture or Allied Subjects. The applicant has to complete the training by National Training Institutes before getting the benefits of the scheme. The maximum project cost to Rs.20.00 lakhs for Individual projects and Rs.1.00 Crore for group projects.

b. **Agriculture Marketing Infrastructure (AMI):** The scheme is available for developing marketing infrastructure to handle marketable surpluses of agricultural and allied products. The scheme mainly covers primary processing of fruits, vegetables, grains, seeds, oil seeds, coconuts, beverages, milk, meat, poultry and marine products.

c. **Agriculture Infrastructure Fund (AIF):** The scheme is available to mobilize a medium/long term debt finance facility for investment in viable projects for post-harvest management Infrastructure and community farming assets. The scheme is helping in improving the marketing infrastructure to allow farmers to sell directly to a larger base of consumers and in turn increase value realization for the farmers.

Under the category III for the Business Activity Loans, the following 6 schemes are covered:

a. **Prime Minister's Employment Generation Programme (PMEGP):** This scheme aims to generate the employment opportunities in rural as well as in urban areas by setting up of new self-employment business. The scheme is bringing widely dispersed rural and urban unemployed youth and giving them self-employment opportunities to their own place. It will help to increase the wage-earning capacity of artisans and contributing to increase in the growth rate of rural and urban employment.

b. **Weaver Mudra Scheme (WMS):** It aims to provide adequate and timely assistance from the Banking institutions to the weavers to meet their credit requirements. The scheme benefit is available for weavers, ancillary workers involved in weaving activities. Under the scheme the preference will be given to weavers identified under third census of handloom weavers as well as weavers identified by the state government.

c. **Pradhan Mantri MUDRA Yojna (PMMY):** This is the most popularized scheme for small business entrepreneurs to create an inclusive, sustainable and value based entrepreneurial culture. The main objective of the scheme is to promote the entrepreneurship among the new generation aspiring youth. To meet the requirements of different sectors / business activities as well as business segments, three different products are offered named Shishu, Kishore and Tarun. These schemes help in the growth and development of micro enterprises.

d. **Pradhan Mantri Street Vendor Aatmanirbhar Nidhi Scheme (PM SVANidhi):** For uplifting the economic ladder, scheme is formalized for the street vendors for creating a new opportunity. In the initial year the eligibility is for Rs.10000.00 for one year tenure. If the vendors are regular in their repayments, they will be eligible for the next cycle of loan with the enhanced limits in second and third and tranches for Rs.20000 and Rs.50000.00 respectively.

e. **Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS):** Under the scheme identified manual scavengers, one from each family would be eligible for One Time Cash Assistance (OTCA) of Rs.40,000.00 or any such amount as OTCA as revised from time to time. If the applicant is eligible under the scheme, the manual scavenger and the dependents shall be provided, free of cost, skill training of their choice from trainings organized by the National SafaiKaramcharis Finance and Development Corporation (NSKFDC). The Urban Local Bodies (ULBs) is to provide mechanized cleaning contracts to them and also issue job guarantee to concerned banks.

f. **Stand Up India Scheme (StandUpIndia):** The scheme is for provision of collateral free loans to the applicants. The objective of the scheme is to facilitate bank loans between 10 lakh and 1.00 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower with focus on woman borrowers.

Under the category IV for the Livelihood Loans, the following only one scheme is covered:

a. **Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM):** It is flagship program of Govt. of India for promoting poverty reduction through building strong institutions of the poor, particularly women, and enabling these institutions to access a range of financial services and livelihoods. It is need base loan either in the form of Term Loan or Cash Credit. In case of further need, additional loan may be sanctioned even though the previous loan is outstanding, based on the repayment behavior and performance of the borrower.

The Portal and the process:

To provide the comfort to borrowers, the government in 2018 had launched a portal psbloansin59minutes.com for various kinds of the credit products; including MSME, home, auto and personal loans. The portal facilitates in-principle approval of loans for MSMEs and other borrowers in 59 minutes by various state- owned banks. The portal process loan applications without human intervention and without the physical document's submission.

In the similar line the government launched the new portal called Jan Samarth portal, which will facilitate digital approval of the loan specified on the portal. Where the applicant can check the eligibility, apply online and get digital approval.

All the nationalised bank along with the other private lenders and financial institutions are the lending partner for the portal along with SIDBI and NABARD.

The following process to be followed for getting the digital approval of the loan:

1. **Checking Eligibility:** The applicant has to answer certain questions and to get it to match with the best suitable schemes available on the portal.
2. **Apply Online:** The applicant has to provide the basic details & documents then the advanced technologies will capture/ auto-filled required details through smart analysis.
3. **Get Digital Approval:** After providing the basic details and documents, the applicant has to view the offers from more than 125 lenders and will get a digital approval from the selected bank.
4. **Tracking the Application:** The applicant can check the status of the application on real time basis at their own convenience.

Process for Registration on the portal:

The web address for the portal is: https://www.jansamarth.in/. The applicant is required to visit the official website of the portal. Then they have to click on the direct link of registration and the registration page will appear. The applicant has to click on Applicant login, then there are two options for registration i.e. e-mail Address login or mobile number login. After entering the details like email or mobile number and entering the captcha and agreeing with the terms & conditions mentioned, the applicant to click on get OTP. After receiving the OTP, the same should be validated. After validation the applicant will get registered on the portal.

After the login, on the home page, scheme details are mentioned. The applicant has to explore the scheme and they can check the eligibility under a scheme of their own interest. For example; if someone wants to avail education loan credit under Central Sector Interest Subsidy (CSIS), then they need to fill up the form where they have to provide the basic details like location, gross annual income of family, category, course, length of the course, type of course, course fee and the required loan amount. After filing the details, the eligibility will be decided that either they are eligible or not eligible under the scheme. Thereafter the eligible beneficiaries can apply online to get instant digital approval.

Benefits of Jan Samarath Portal:

The eligible applicant will get the following benefits through the portal:

- Beneficiaries need not to try hard for the loan.
- Beneficiaries need not to go around the banks and other agents.
- Beneficiaries will get the loan while sitting in their house.
- No need to do more of the paper works.
- In a single portal the beneficiaries will get bundle of loan schemes
- The loan will be given on the basis of need and eligibility of the beneficiaries
- The updates of all the activities will be available on the portal.

Conclusion:

The success of the portal is fully dependent on the lenders and the other key stake holders i.e. the ministries and nodal agencies. From the lenders side the more important task will be to dispose the application within no time; so, the beneficiaries will receive the credit as per their need. The ministries have to release the subsidies to the beneficiaries accordingly.

The most important thing is that the benefits should reach to the needy people for their growth and to meet out the financial needs. Once the portal will function properly and it will reach to the actual beneficiaries the government will direct to add some other credit -linked government schemes. Hope the portal will reach to needy people and country will enrich in the financial literacy. ❑

"CREDIT MONITORING ARRANGEMENT"- A TOOL FOR EFFECTIVE CREDIT ASSESSMENT

Every business be it small or big needs funding to expand in its capacities in the form of plants, machinery, equipment, meeting working capital requirements, etc. For fulfilling this purpose, generally huge amount of investment is required. The investment may come from either internal or external sources. If the investment comes from internal sources, we call the source as capital or reserves or surplus profits are reinvested in the business.

On the other hand if the sources are external, they might be of two types i.e. Equity funding & Debt funding. While in debt financing capital is acquired through the borrowing of funds from financial institutions against a security to be repaid at a later date. In equity financing, rising of capital is by selling stocks to investors. While each method of funding comes with its fair share of pros &cons, Debt financing is a simpler and reliable method of funding for businesses through loans and credit, as it allows a business to use a small amount of money into a much larger sum enabling faster growth that otherwise might be possible. Whereas equity financing contains a large amount of time comparatively, complex paperwork, disclosures& legal arrangement. Hence borrowing from a lender or bank or NBFCs or even from a modern-day Fin-tech lending platforms is convenient as they take pride in their ability to disburse a loan within a day or two.

Basically, when an applicant approaches a lending institution like banks or NBFC, banks want to ensure that they are lending funds in safe hands i.e. they want to ensure two important things about the borrowing concern, one, ability to repay and the other is willingness to repay. The later can be assessed by proper due diligence while the former can be assessed by obtaining various financial statements. These financial statements will speak about the financial position, performance & health of the business entity, credit history, timely repayment, etc. The banks rely very much on these reports for their credit decisions by carefully evaluating the

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proposal, taking all measures to mitigate the possible risks while arriving at the eligibility of funding.

Thus bankers require a comprehensive tool to know the existing financial position and projected financial position of the borrowing concern using all the financial information provided by the borrower.

What is CMA? How it originated?

The Credit Monitoring Arrangement data or CMA report is an analytical tool of the current and projected financial statements of a loan application by the banker. It showcases a systematic analysis of the financial operations and management aspects of the borrower i.e. the way the entity manages its funds in an efficient way, application of the funds, business probabilities, etc.

The concept of CMA came into existence in 1975 with the recommendations of the Chore Committee & Tandon group in 1974. Introduced in 1988, the CMA system aimed to prevent delays in loan approvals & loan disbursements which earlier required RBI's approval. Prior to the introduction of CMA, Credit Authorization scheme was in place. Under this practice, an authorization from RBI was mandatory for credit above the specified limit as fixed by RBI.

This is to ensure curtailing the mismanagement of the limited capital available for credit. But, this process was cumbersome, time-consuming, and inefficient. Hence the Government initiated to introduce the system of the CMA report. CMA has simplified the credit decision process as the financial institutions are given authority to sanction the credit after self-assessment of the CMA report submitted by the client. Although now the process is much simplified,

mandatory scrutiny by the RBI after the approval of loan is required.

Applicability of CMA report.

Through the CMA report, banks evaluate the eligibility of funding borrower based on the careful evaluation of the CMA data, as it allows bankers & financial analysts to take the financial pulse of the undertaking. For this reason, borrowers are required to submit CMA data while getting loans from the bank every year for business loans like short term or long term loans, project loans& even for meeting working capital requirements for day-to-day business.

As per RBI guidelines, banks should ask for CMA data and submit the same to RBI, if the amount of term loan is above INR Two crore (2 Cr) and working capital finance of INR five crores (5 Cr).

Components of a CMA report

Typically, there are seven components/statements that together constitute a CMA report which helps bankers to evaluate the financial aspects of a business entity.

1. **EXISTING & PROPOSED LIMITS:** This is the first constituent of a CMA report, through which the banker wants to know about the present fund& non-fund based credit limits of the borrower along with their credit limit usage and their credit history. Also, other details like current outstanding along with proposed limits are required to be mentioned in the statement. It is always advised that the applicant should have a clean credit history with no defaults and the proposed amount should match with the fund limits.
2. **OPERATING STATEMENT:** Secondly, every banker requires the borrower enterprise to present a profit& loss statement which contains details like current sales, direct& indirect expenses, PBTA, PAT, sales projections, expenses, profitability projections for the coming 3 to 5 years based on the capability of borrower's business. In other words, this statement is a scientific analysis of the current & projected financial growth potentiality of the borrower.
3. **BALANCE SHEET ANALYSIS:** Analysis of the balance sheet is the third statement in the CMA report, which gives the indication that the company is financially sound. The statement gives a detailed analysis of current& non-current assets and liabilities, cash position of the borrower. In other words, the analysis of the

balance sheet provides a clear insight into the applicant's financial position and the net worth.

Generally, creditors require at least two years of audited balance sheets and upcoming three years projected estimates for effective analysis.

4. **CHANGES IN WORKING CAPITAL:** This is the fourth statement that provides the comparative analysis of the movement of current assets& liabilities. This analysis gives an idea regarding the ability of the applicant to meet their daily working capital requirements. Besides, indications regarding the working capital requirement (actuals) along with future projected cycle growth are made.

5. **CALCULATION OF MPBF:** As per the recommendations of the Tandon committee, calculation of Maximum Permissible Bank Finance helps us to know the difference between the working capital requirement & permissible finance in the borrower's enterprise i.e. capacity of the applicant to borrow money.

There are generally two ways to calculate MPBF:

- o In the first method, the permissible limit of funding shall be 75% of the networking capital gap which means 75 % (current assets less current liabilities other than bank borrowings).
- o Under the second method, MPBF shall allow (75% of the current assets) less current liabilities other than bank borrowings.

Thus, the MPBF limit is only the cash credit component of the borrower which is generally known as the drawing limit (DP), and this is the reason why this statement forms the basis of the CMA report.

6. **FUND FLOW STATEMENT:** Generally a fund flow statement of the borrower's enterprise is given to evaluate if there are sufficient funds available with the entity or if the concern is utilizing its funds properly or not.

7. **RATIO ANALYSIS:** Last but not the least, analysis of operational and financial ratios gives an overall summary of the entity's growth, performance & loan repayment capacity. Some of the important ratios like current ratio, net profit ratio, net worth ratios, quick ratio, stock & asset turnover ratios, debt-equity ratio, etc. help the bankers to make the credit decision regarding approval of funds.

Steps involved in drafting CMA data.

Past performance and actuals should be exactly as per Audited Financials.

All assumptions and estimates mentioned in preparation of CMA data should be mentioned separately with valid justifications.

Future projections should be realistic and not merely arithmetic multiples of current year figures.

The borrower has to prepare reports for existing loans, credits, repayment status, and any other liabilities in any form.

The borrowing concern need to submit all the financial reports& statements, including Balance sheet and Profit and loss accounts and also Audit Report.

Calculation of MPBF and preparation of changes in working capital along with ratio analysis.

Fluctuations in performance should be justifiable with valid reasons.

All the data pertains to fixed assets, depreciation and loan repayment history along with schedules should be annexed and linked to CMA Data.

The entity should be able to justify the performance and numbers projected

In case of multiple businesses activities or locations, detailed report / annexure should be attached showing breakup of how the projected numbers are arrived at?

CMA Data should represent a viable business performance

- over borrowing is un-favorable and cannot be justified through mere projecting some financial ratios.

Why is it important to prepare a cma report?

A. Significance of CMA Data for Borrowers

CMA data gives a financial blueprint of an entity's performance year-on-year basis. The overall financial position, performance and health, loan eligibility, repayment capacity, etc., can be determined with the use of CMA data report. CMA data clearly marks out the flow of & application of funds in a concerned business. A properly planned and well drafted CMA Data is sufficient to establish eligibility for loan as it is the mirror of creditworthiness for borrower who wants to enjoy credit facility from banks.

B. Significance of CMA Data for Banks

Bank and financial institutions do employ various measures to mitigate the chances of risks and further wants to decrease the impacts of the risks if happens like default of loan. With the help of CMA data and its components banks will know the financial position, the changes in the balance sheet's components, knowing the flow of funds, knowing the performance of the borrowing concern and also understand the earning cycle for paying the expenses.

It also helps them to know short term solvency of borrowing concerns. With ratio analysis, bank will understand the position and efficiency of the entity more clearly within few minutes. Compilation of CMA report helps the banks to find out the financial health of the enterprise as it is unworthy to provide funds to such entities who are already sick or where chances of survival are few.

Conclusion:

As mentioned above, a professionally crafted CMA data report could really make the loan approval process simple, quick& hassle-free. Even though a CMA Data is a very detailed analysis of the Profit and Loss statement and balance sheet of an entity, the key to prepare a good CMA Data is to present a healthy financial projection to analyze the past & proposed flow of funds and viability of the project of the borrower. Therefore, someone with vast experience and in-depth knowledge of finance should study & prepare CMA report.

From a banker's perspective CMA data is a systematic analysis of working capital management of a borrower and the main objective is to ensure the usage of long term and short term funds for the given purpose. Though, the Banks have been given liberty by RBI not to follow CMA for deciding the eligibility and magnitude of working capital finance, yet many are relying on the CMA data, as the CMA system is so scientific and systematic, that it transpires the whole activity of the firm and shows the errors of the borrower and their ill intention to misuse the Banks' funds.

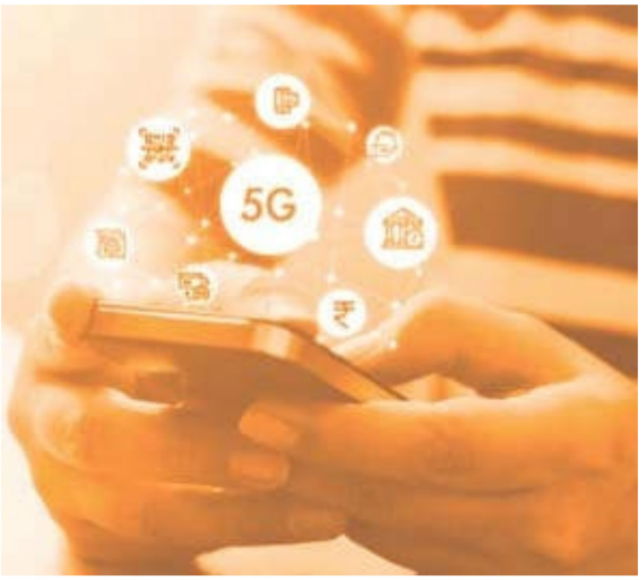
Another key area where proper knowledge about CMA data is imperative is avoiding creative accounting. In the recent past banks have been in news mostly in wrong sense because of the frauds happened mostly financial statement frauds. A deeper analysis of those cases reveals that somewhere down the line bankers lack the skills to identify the red-flags thrown by the CMA. Hence a thorough knowledge and proper interpretation of the CMA data is needed for effective credit assessment and decision making. ❑

Govt appoints ex-RBI official Mohanty as PFRDA Chairman

The government has appointed Deepak Mohanty, former Reserve Bank official, as the Chairperson of the Pension Fund Regulatory & Development Authority (PFRDA). Mohanty will hold this post from the date of assumption of charge till attaining the age of 65 years or until further orders, whichever is earlier, according to an order issued by the Department of Financial Services (DFS), Finance Ministry.

Prior to this, Mohanty was the Whole-Time Member (Economics) of PFRDA for two years overseeing areas of development and regulation of pension funds. PFRDA regulates the National Pension System (NPS), subscribed by employees of the Central government, State governments and by employees of private institutions, organizations and unorganised sectors. He was an Executive Director at the Reserve Bank of India (RBI) overseeing areas of enforcement of banking regulation, risk management, internal audit and inspection, financial stability, monetary policy, economic research and statistics. He had also worked as Senior Adviser at the International Monetary Fund (IMF).

5G BANKING



India has taken a mega leap in mobile telephony by joining a select group of countries who provide 5G telephony. The next generation 5G or the 5th generation mobile network has been rolled out in India which is 10 to 100 times faster than its predecessor 4G. 5G is characterised by "Higher Speed, Lower Latency and Enhanced Connectivity". It sets a new wireless standard by delivering low latency, reliable high data capacity connections and has potential to transform digital landscape in a disruptive way. India has played a catch-up game as far as 3G and 4G are concerned but government wants India to be a front runner in 5G. Indian telecom companies are hopeful of covering major part of India by the end of 2023. It is estimated that by 2025, there will be more than 2.8 billion 5G connections in the world.

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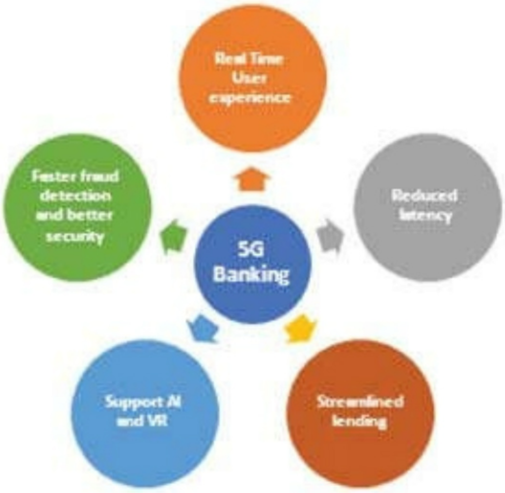
5G is expected to revolutionise connectivity, reinvent overall customer experience and therefore it is going to have profound impact on the banking, education, health, agriculture, and many other sectors. It will spearhead the next wave of digital disruption. With 5G, superfast digital connectivity will be a new normal and consumers will begin to expect and demand the same fast banking experience.

On the other hand, banks will also ride the 5G bandwagon to improve the speed of digital transformation in banking, enhance the customer experience, explore new revenue streams and achieve greater cost efficiency. Its impact will be all pervasive as it will transform backend processes, physical branches, customer experience and finally banking ecosystem itself. High speed 5G networks will carryout complex banking tasks in real time and help them improve the efficiency of their websites and apps.

Hyper personalized IoT device enabled banking services and products which will be the backbone of future banking will get better support from 5G and integration of devices like phones, wearables, and even cars to deliver uniform interactions and seamless customer experience across touchpoints will be smoother. Combination of physical and 5G enabled digital banking channels will give a more true omni-channel experience. PWC has estimated that 5G will bring around $85 billion to financial services sector by 2030.

Impact of 5G on Banking



Faster speed will lead to faster transactions and superior connectivity will allow millions of devices per square kilometer. Latency (delay between action and result) will be almost nil making video streaming smooth. All this will ensure further adoption of digital banking and payments and help banking sector in giving a seamless banking experience for their customers. Banking services will become more personalised as they will be available on wearables devices and IoT devices.

Physical branches will get converted into "Smart Branches". By virtue of technologies like video analytics, virtual reality, augmented reality, and instant facial recognition which are better enabled and supported by 5G, better customer identification and branch monitoring will be possible. Customer gait pattern and footfalls can be analysed to manage branches. The utility of ATMs will increase as with faster connectivity ATMs can work as kiosk branches with AI backed personal financial services offerings. While many banks are running pilot testing some banks in China have already started using 5G to deliver better customer experience.

Customer on boarding and customer care service via video calls will become the norm. Artificial intelligence and machine learning based bots will be able to resolve the customer issues in time efficient and highly personalised manner.

Banks will be able to increase their reach and footprints without building physical branches. Portable micro branch setup or Pop-up branches infrastructure can be transported to remote locations as the connectivity is fast and better to provide a completely authentic banking experience through Virtual Reality. These pop-up branches will be a better tool to take financial inclusion to remote and unbanked areas with VR powered digital banking services. Smart devices will be able to provide bank connectivity to remote and rural areas. 5G will help real time language translation and thus banking in local language be made available on mobile services, kiosks and wearables. Santander bank, the first bank to implement a 5G network has established a smart pop-up branch near Madrid.

5G will also help banks in achieving greater operational resilience and business continuity in case of natural disaster to provide traditional banking services to the affected population.

We are already witnessing a shift in customer behaviour and people are preferring digital payments over physical currency payment. This trend will further pickup pace with high-speed transaction capabilities of 5G. Digital wallets will be available on wearables and IoT devices besides mobiles, making them more popular and lucrative compared to physical wallets to both masses and merchants.

5G high-speed real-time data flow will make big ticket purchases as quick and seamless as grocery shopping. Since real time high quality live stream consultation is possible, big ticket purchases can be presented to lenders for verification and approval through virtual reality. Big ticket purchases which involve securing a loan will become instantaneous as AI backed loan sanctioning tools will comb relevant data to sanction loan and fix the terms of the loan including applicable interest based on customer risk and reality. Banks will be able to do their routine inspection of financed businesses by virtually visiting the business units.

Data is oil today and banks have huge volume of customer data. Immaculate data transfer capabilities and lightning speed of 5G will help banks in data (both behavioural and financial) mining to target customers with highly contextualised advice and better product recommendation. AI will get a real boost with 5G technology. 5G allows large volume of data processing on cloud which may reduce banks dependence on apps. Cloud based products and services will be more efficient and reliable. Immersive and engaging customer experience will become a reality with 5G. Using virtual reality and edge computing customers can virtually visit the branch as edge computing will bring networks closer to user application. Faster movement of data and enhanced connectivity will boost close cooperation between banks and fintechs.

Security and fraud detection will be more efficient as security vulnerability and fraud will be detected real time. Repairing of security flaw across apps, websites, payment gateways and wearables is possible without any down time. Biometric checks will become more sophisticated, moving from fingers to faces, voices, and behaviours. Today banks are dependent on one type of biometric authentication but 5G will enable multidimensional biometric security procedures viz. facial recognition, physical characteristics and geo locations etc. to give instantaneous verification of customer. Identity frauds in on boarding and account operations will be reduced with Video-based KYC along with continuous voice capture.

Block chain transactions are complex due to their encrypted and distributed nature and take a while to process. Higher speed and bandwidth will enable widescale adoption of blockchain technology in banking which will strengthen function like trade finance, asset tracking, digital identity and cross border payments.

5G vulnerability

Any new technology comes with incumbent risks. The increase in bandwidth will see an enormous flow of customer data flowing through the network which will increase the responsibility and burden of the bank to protect customer data and they will have to review and strengthen their existing data procedures. Banks need to have modern IT infrastructure otherwise they will be overrun by data.

Faster speed, a tidal wave of new devices and unlimited connections bring along with it many security challenges which will make managing 5G security much more difficult. The amount of data traveling via financial networks could become a hotbed for people with malicious intent. With millions of connected devices, larger and more dangerous attacks are possible.

There is increased risk of more sophisticated botnets, privacy violations, and faster data extraction as IoT devices are inherently insecure. Each insecure IoT device on an organization's networks represents another potential hole exposed to an attacker. All these vulnerabilities require that a more robust and next generation security support will be needed for 5G. 5G will increase the vulnerabilities in 4G devices as it is expected to co-exist with 4G.

All Stakeholders will Benefit

Banking is sitting, today, on the cusp of another revolution led by Edge technology and 5G network. 5G will prove to be catalyst and help banking in quality digitisation. With 5G banks can sharpen their strategy, system and procedure to meet customer expectations which has undergone a sea change over the last decade. Artificial intelligence, analytics, personal financial management software, internet of things, voice banking, banking as a service and fintech innovation all will get a boost from 5G.

Digital banking will evolve faster by leveraging 5G to become invisible and intuitive banking and banking will smoothly get embedded in other daily activities. However, banks will have to align their digital infrastructure with the requirements of 5G which will cost them significantly. Despite willingness of banks to adopt 5G as soon as possible, the benefits of 5G will reach consumers only after a sufficient coverage has been achieved which does not seem possible before 2025. ❑

SWOT Analysis and Emerging Trends of Corporate Governance in India

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. It involves the balance of power and responsibilities among the board of directors, management, and shareholders of a company. The goal of corporate governance is to ensure that a company is run in the best interests of its shareholders, while also taking into account the interests of other stakeholders, such as employees, customers, and the wider community. In India, corporate governance has been a topic of much debate and discussion in recent years, as the country's economy has grown and its companies have become more global in their reach.

This article will provide an overview of the governing principles of corporate governance in India, a SWOT analysis of the current state of corporate governance in the country, an overview of the legal framework for corporate governance in India, and an examination of some of the emerging trends in corporate governance in India.

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A brief chronology of corporate governance across globe:

In the late 19th and early 20th centuries, the focus of corporate governance was primarily on protecting shareholders' rights and ensuring that companies were run efficiently. In the early 20th century, the focus of corporate governance shifted to the separation of ownership and control. In the mid-20th century, corporate governance began to focus more on ensuring that companies were run ethically and in the best interests of all stakeholders.

In the 1980s and 1990s, corporate governance was again focused on shareholder rights and returns, and the rise of the shareholder value movement led to a greater emphasis on short-term performance and cost-cutting. In the early

21st century, the focus of corporate governance was to include a greater emphasis on sustainability, social responsibility, and long-term value creation. In the 21st century, corporate governance has become a global issue, with an emphasis on corporate social responsibility and sustainable business practices.

Legal Framework for Corporate Governance in India

The legal framework for corporate governance in India is governed by a number of laws and regulations, including the Companies Act, 2013, the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements Regulations, 2015 and the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs).

The Companies Act, 2013 is the primary legislation that governs the operations of companies in India, and it includes provisions on corporate governance, such as the appointment of independent directors, the formation of audit committees, and the rights of shareholders.

The SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 require listed companies to comply with certain corporate governance norms, such as the appointment of independent directors, the formation of audit committees, and the requirement for timely disclosure of financial and other relevant information to shareholders and investors.

The NVGs, issued by the Ministry of Corporate Affairs in 2011, are non-binding guidelines that provide a framework for companies to adopt sustainable and responsible business practices. The guidelines cover areas such as corporate governance, environment, social responsibility, and economic responsibility.

Governing Principles of Corporate Governance in India

The governing principles of corporate governance in India are grounded in the principles of fairness, transparency, and accountability. These principles are reflected in the various laws and regulations that govern the operations of companies in India, as well as in the codes of conduct and best practices that have been developed by industry groups and other organizations. Some of the major concepts are discussed below -

Concept of "shareholder democracy"

One of the key principles of corporate governance in India is the concept of "shareholder democracy." This principle holds that shareholders have the right to elect the members of a company's board of directors and to approve major corporate decisions, such as mergers and acquisitions, capital raises, and dividend payments. Shareholder democracy is intended to ensure that companies are run in the best interests of their shareholders and that the rights of minority shareholders are protected.

Concept of "Disclosure and Transparency"

Another important principle of corporate governance in India is the concept of "disclosure and transparency." This principle holds that companies must disclose accurate and timely information about their financial performance and operations to shareholders and other stakeholders. Disclosure and transparency are intended to ensure that shareholders and other stakeholders have the information they need to make informed decisions about the companies in which they invest.

Concept of "Accountability and Responsibility"

A third principle of corporate governance in India is the

concept of "accountability and responsibility." This principle holds that the board of directors and senior management of a company are accountable for the company's performance and for ensuring that the company is run in an ethical and responsible manner. Accountability and responsibility are intended to ensure that companies are run in the best interests of all stakeholders, not just shareholders.

SWOT Analysis of Corporate Governance in India

A SWOT analysis is a tool that can be used to evaluate the current state of corporate governance in India. The following is a SWOT analysis of corporate governance in India:

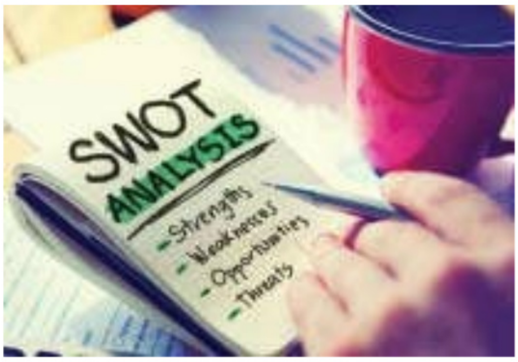
Strengths:

One of the key strengths of corporate governance in India is the government's commitment to improving corporate governance practices. The government has introduced a number of initiatives to promote good corporate governance, including amendments in the Companies Act, 2013, issuance of guidelines by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business along with the establishment of the National Committee on Corporate Governance (NCCG) and the Securities and Exchange Board of India (SEBI). Additionally, there is increasing awareness among companies and investors about the importance of good corporate governance practices.

Weaknesses:

There is a lack of consistency in the application of corporate governance principles in India, with some companies adhering to best practices and others not. This can lead to a lack of trust in the corporate sector and can negatively impact the country's economic growth. Further there is a lack of transparency and disclosure in some areas of corporate governance in India, with some companies not providing accurate and timely information about their financial performance and operations.

This can lead to a lack of trust from shareholders and investors, and can lead to negative consequences for the company. The composition of boards of companies in India is not always diverse, with a majority of independent directors being men and from similar backgrounds, leading to a lack of representation and inclusivity.



Opportunities:

There are also a number of opportunities for improving corporate governance in India. As the Indian economy continues to grow, there is potential for further government initiatives to improve corporate governance. The growing global reach of Indian companies creates opportunities for greater adherence to international standards of corporate governance. This can lead to increased trust and confidence in the Indian corporate sector, which can attract more foreign investment and boost economic growth.

The increasing awareness and focus on sustainability, social responsibility and environmental concerns can provide an opportunity for Indian companies to adopt sustainable practices and gain a competitive edge. The use of technology in corporate governance can provide new opportunities for increased transparency, accountability and efficiency in the corporate sector.

Threats:

One of the main threats is the lack of a strong legal framework for corporate governance. Additionally, there is a potential for corruption and unethical behavior in companies. The lack of enforcement of corporate governance laws and regulations in India can lead to companies not adhering to best practices and can negatively impact the reputation of the corporate sector. Moreover the increasing competition in the global market can lead to companies prioritizing short-term gains over long-term sustainability and ethical practices.

Emerging Trends in Corporate Governance in India

In recent years, there has been a growing focus on sustainability and environmental, social, and governance (ESG) issues in the corporate governance in India and several emerging trends have begun to shape the way companies are governed in the country. One of the key emerging trends in corporate governance in India is the increasing focus on sustainability and social responsibility.

More and more companies in India are recognizing the importance of sustainable business practices and are taking steps to reduce their environmental footprint and minimize their social impact. This trend is being driven by a growing awareness of the importance of protecting the environment and addressing social issues, as well as by the increasing pressure from investors and consumers for companies to be more socially responsible.

Another emerging trend in corporate governance in India is the increasing use of technology and data analytics. Companies are beginning to use technology and data analytics to improve the efficiency and effectiveness of their corporate governance processes. This includes using technology to monitor and analyze the performance of companies, as well as using data analytics to identify potential risks and opportunities.

There is also a growing focus on diversity and inclusion in corporate governance in India. This includes a focus on increasing the representation of women and other under represented groups on the boards of companies and in senior management positions. Companies are also beginning to focus on the inclusion of diverse perspectives in decision-making and to ensure that their policies and practices promote diversity and inclusion.

Non-financial performance metrics are also increasingly being used to evaluate corporate performance. This includes metrics such as environmental and social impact, customer satisfaction, and employee engagement. This shift in focus is an indication that companies are being held accountable for their overall impact on society, not just their financial performance.

Conclusion

In conclusion, corporate governance in India is a dynamic and rapidly evolving field, shaped by a complex interplay of laws, regulations, and best practices. The governing principles of corporate governance in India are fairness, transparency and accountability.

The current state of corporate governance in India is marked by strengths such as a well-developed legal framework, a strong tradition of shareholder democracy, and a growing number of independent directors on the boards of companies, but also by weaknesses such as a lack of consistency in the application of corporate governance principles, lack of transparency and accountability and a lack of diversity.

As the country continue to grow and globalize, the opportunities for Indian companies to adopt international standards of corporate governance and to focus on sustainability and social responsibility will be key. It is important for companies to stay informed of the latest trends and developments in corporate governance in India, in order to stay competitive and protect the interests of all stakeholders. ❑

PRIORITY SECTOR LENDING CERTIFICATES (PSLC)

Introduction:

Priority Sector Lending Certificates is a tool for promoting comparative advantages among banks while they meet their priority sector lending obligations in India. "Banks with a comparative advantage in lending to the priority sector should earn priority sector lending certificates [social credits] while those falling short of the target would be required to buy priority sector lending certificates [social credits]. A forward market for Priority Sector Lending Certificates [social credits] will help banks to focus and plan well.

Total credit extended by banks in priority sector lending was INR 21,543,562.9 million (US$322,361 million as of June 2016) towards the end of financial year 2015. The goal of Priority Sector Lending Certificates is to create market-efficiency in priority sector lending "to increase employment, create basic infrastructure and improve competitiveness of the economy, thus creating more jobs. Priority Sector Lending Certificates is a method for directing credit and could be used in Asia and other parts of the world as an alternative method for directing credit.

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Background:

Tradable Priority Sector Lending Certificates was first proposed by Mr. A. M. Godbole in his article "How to lend more to the poor" (Mint, 28 March 2007). Mr. A. M. Godbole had called tradable Priority Sector Lending Certificates as 'social credits'. On 7 April 2008 (in a draft report) and on 12 September 2008 (in a final report) the High-Level Committee on Financial Sector Reforms recommended the introduction of Priority Sector Lending Certificates. On 7 April 2016 the portal for trading Priority Sector Lending Certificates was launched by the Reserve Bank of India. Within twelve months of the launch of the Priority Sector Lending Certificates portal for trading, a total of INR 430.1 billion (US$6.63 billion as of 31 March 2017) of PSLC SF/MF and PSLC General by volume was traded.

S. No.	Year, Month & Year, Date	Event
1	28-Mar-07	Tradable Priority Sector Lending Certificates is proposed for the first time. It is called 'social credits'
2	31-Dec-07	Tradable credits are proposed for Insurance for the first time. It is called 'micro insurance credits'
3	Jan-08	Tradable 'micro insurance credits' is cited in a USAID (US Agency for International Development) document
4	7-Apr-08	High-Level Committee on Financial Sector Reforms recommends the introduction of 'social credits' (calls it Priority Sector Lending Certificates in its draft report)
5	12-Sep-08	High-Level Committee on Financial Sector Reforms recommends the introduction of 'social credits' (calls it Priority Sector Lending Certificates in its final report)
6	2010	Reserve Bank of India sets-up a Working Group to examine the issues involved in the introduction of PSLCs and make suitable recommendations.
7	21-Feb-12	Reserve Bank of India constituted M.V. Nair Committee recommends "allowing non-tradable priority sector lending certificates (PSLCs) on pilot basis with domestic scheduled commercial banks, foreign banks and regional rural banks as market players".
8	28-Feb-15	Government of India Ministry of Finance Department of Financial Services proposes introduction of Priority Sector Lending Certificates.
9	1-Mar-15	Reserve Bank of India Internal Working Group recommends introduction of priority sector lending certificates (PSLCs) which will enable banks to meet their PSL requirements even while leveraging their comparative advantage in lending.
10	23-Apr-15	Reserve Bank of India says in its Notification on "Priority Sector Lending - Targets and Classification" that "The outstanding priority sector lending certificates (after the guidelines are issued in this regard by the Reserve Bank of India) bought by the banks will be eligible for classification under respective categories of priority sector provided the assets are originated by banks, and are eligible to be classified as priority sector advances and fulfill the Reserve Bank of India guidelines on priority sector lending certificates."
11	7-Apr-16	Reserve Bank of India issues Notification on "Priority Sector Lending Certificates" and issues instructions on trading in PSLCs.
12	7-Apr-16	Reserve Bank of India Deputy Governor S.S. Mundra launches portal for trading in Priority Sector Lending Certificates.
13	24-May-16	Reserve Bank of India issues Frequently Asked Questions (Updated on 22 Nov 2016)

Types:

As priority sector lending has sub-targets in addition to an overall target there are types of Priority Sector Lending Certificates (PSLCs). The four types of Priority Sector Lending Certificates are:

1. **PSLC Agriculture:** Priority Sector Lending Certificates for agriculture lending sub-target.
2. **PSLC SF/MF:** Priority Sector Lending Certificates for small and marginal Farmers lending sub-target.
3. **PSLC Micro Enterprises:** Priority Sector Lending Certificates for micro enterprises lending sub-target.
4. **PSLC General:** Priority Sector Lending Certificates corresponding to the overall priority sector lending target.

Additional types of Priority Sector Lending Certificates would be required for other lending sub-targets.

Non-Transfer of credit risk and consistent use with inter-bank participation certificates and securitization:

The selling or purchase of Priority Sector Lending Certificates does not cause a transfer of credit risk as Priority Sector Lending Certificates do not cause any change in the lender of any loan i.e. the lender is not replaced. Priority Sector Lending Certificates is different from Securitization as the latter involves a transfer of credit risk. "Priority Sector Lending Certificates [Social credits] may be used in conjunction with inter-bank Participation Certificates or securitization of priority-sector lending portfolios".

Market-based pricing:

Priority Sector Lending Certificates would be priced by the market. The basic framework for pricing Priority Sector Lending Certificates [social credits] would incorporate the risk-free rate, default rate and cost of operations.

As Priority Sector Lending Certificates are priced based on credit risk hence it is a type of credit derivative. India Ratings expects the PSLCs to be priced between 1 percent to 3 percent depending on the PSL sub-segment deficit of the buyer. Alternative pricing models would be based on the price of penalties if the price of penalties is lower than what the price would be otherwise. In order to avoid a scenario wherein banks prefer to pay penalties rather than comply with priority sector lending obligations the imposition of large monetary fines and/or partially revoke banking licences if a bank does not reach its targets is required.

If and when the price of a Priority Sector Lending Certificate [social credit] is close to zero consistently, then we know that targets are not needed. The cost of operations related to priority sector lending may make a significant part of the price of Priority Sector Lending Certificates. Government can intervene by buying the Priority Sector Lending Certificates [social credits] in the market. This would push up the price. Market based pricing of Priority Sector Lending Certificates induces a market-driven incentive for efficiency. In the first quarter year of 2016-17 Priority Sector Lending Certificates were traded at a premium in the range of 3-5 percent.

Lot size and amount eligible for issue:

"The Priority Sector Lending Certificates would have a standard lot size of INR 2.5 million and multiples thereof. Normally PSLCs will be issued against the underlying assets. However, with the objective of developing a strong and vibrant market for PSLCs, a bank is permitted to issue PSLCs upto 50 percent of previous year's PSL achievement without having the underlying in its books. However, as on the reporting date, the bank must have met the priority sector target by way of the sum of outstanding priority sector lending portfolio and net of PSLCs issued and purchased.

Expiry:

All Priority Sector Lending Certificates will expire by the end of the financial year. The same underlying priority sector loan which is outstanding in the next financial year, like any new priority sector loan, will be considered towards calculating the Priority Sector Lending Certificates in case the priority sector lending target is exceeded.

Rewards and Penalties:

To the extent of shortfall in the achievement of target, banks may be required to invest in RIDF (Rural infrastructure development fund)/other funds as hitherto. Penalties are as essential as the carrot (of allowing banks to stay away from direct lending and taking credit risk in the priority sector; compensating those banks that exceed their priority sector lending target) and so the carrot should be flanked by the stick.

Different from a cap and trade system:

Priority Sector Lending certificates have similarities with a cap and trade systems like Carbon Credits. The similarities include: system level target and tradable nature of the credits. A major difference between Priority Sector Lending Certificates and carbon credits is in the nature of the targets: lending versus a negative externality (environmental pollution). The targets in the case of Priority Sector Lending Certificates are a floor and not a cap.

Criticism:

Reserve Bank of India Deputy Governor R. Gandhi said that "PSL certificates, which will be eligible for classification under respective categories of priority sector, bought by banks, may dent the growth of securitised market." No reason has been shared for this assertion.

Alternatives:

A direct tax combined with a system for delivering credit to the priority sector could be an alternative to Priority Sector Lending targets. If there are no Priority Sector Lending targets then this would obviate the need for Priority Sector Lending Certificates.

Conclusion:

All banks need to disclose appropriately the commissions earned from PSLC trading which in turn will help evaluate the economics of the facility to individual banks. In sum, it is the banks, not the priority sector, which have benefitted from the PSLC scheme.

However, from a macro perspective, deficiencies in PSL aren't the only problem confronting rural development; the crying need is to improve the overall agricultural situation through a package of modern initiatives encompassing every aspect of the farm sector.

Increased public investment will augment credit absorption capacity. Institutional realignments are equally pressing. It needs to be weighed whether today, so many banks of so many genres with so many branches and schemes are required at all. Consolidation on all fronts would improve policy-level efficacy, operational efficiency and reach of the rural credit delivery system in significant ways. And, finally, undue external interferences need to be leashed, if not eliminated. ❑

Blow for bond mkts as long-term tax benefit scrapped for debt MF

The government has proposed changes in taxation of debt mutual funds under which no benefit of indexation for calculation of long-term capital gains (LTCG) on debt mutual funds will be available for investments made on or after April 1, 2023.

However, as per the proposed changes in the Finance Bill 2023, only those debt mutual funds will lose these benefits where equity investment in such schemes is less than 35 per cent.

From April 1, 2023, such debt mutual funds will be taxed at income tax rates as per an individual's income. The move will remove the tax advantage a debt mutual fund has compared to bank deposits.

Commenting on the development, Fintoo Founder Manish P Hingar said with the proposed amendments debt mutual funds may no longer receive indexation benefits and will be taxed at marginal rates. "This will also affect gold funds and international funds. As a result, bank fixed deposits will become more attractive as both debt funds and bank fixed deposits will be subject to the same taxability of maturity proceeds," he said.

This may have a negative impact on all debt funds, particularly in the retail category, as ultra-high net worth and high net worth individuals may choose to invest in safe havens like bank fixed deposits. "We may see a shift from long-term debt funds to equity funds, and money may be directed towards sovereign gold bonds, bank fixed deposits, and non-convertible debentures in the debt category. This is good news for banks as they can attract customers with higher interest rates and increase their borrowing and saving book sizes," Hingar said.

According to Niranjan Avasthi, Head, Product, Marketing and Digital Business, Edelweiss AMC, the removal of indexation benefits from debt mutual funds is a big loss for bond markets that are still struggling with liquidity. "MFs are the only large active institutional investors who bring whatever little liquidity we have in the bond market. Insurance and some others are HTM investors," Avasthi wrote on twitter. Shares of HDFC AMC was down 4.76 per cent and that of Aditya Birla Sun Life AMC fell 2.76 per cent in intra-day trades.

WHAT IS THE PRIMARY PURPOSE OF INVESTING

In today's world, investment has become a hot topic of discussion, but have you ever asked yourself why you should invest? The answer to this question is straightforward- the purpose of investing is to help you achieve your life goals, both short-term and long-term. Your objectives can range from saving up for your first home to securing your family's financial future or building a retirement fund.

As each person's life goals are unique, there is no single investment plan that can cater to everyone's needs. Therefore, you need to identify your investment goals and create a plan accordingly. This way, you can make investments that align with your objectives and work towards achieving them. Remember, investing is not just about growing your wealth; it is about making your money work for you so that you can achieve your life goals.

About the author

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Reasons why you should invest your Money

1. To Meet your Life Goals

Throughout our lives, we all have major and minor goals that we wish to achieve. These can range from starting our own business, purchasing a dream car, or building a dream home. However, simply saving a portion of our income may not be enough to meet these objectives. With the cost of living on the rise, it can be challenging to save enough to cover these expenses, and in some cases, it may even be impossible to pay for events such as a child's education or wedding from savings alone.

In such situations, it becomes crucial to explore investment options that can help us achieve our goals. Investing can help grow our wealth and provide the necessary funds to meet our financial objectives. By selecting the right investment vehicles and creating a well-structured investment plan, we can achieve our goals and secure our financial future. It's never too late to start investing and begin working towards accomplishing our life goals.

2. Capital Gains

Investors who focus on growth are not necessarily looking for income through interest or dividends. Instead, they seek to earn capital gains by investing in stocks that are expected to increase in value over time. These investors aim to buy low and sell high, taking advantage of the growth potential of a particular stock.

Although growth investors are generally willing to take on more risk than investors who focus on income, they still strive to manage their risk levels. Diversification is a strategy that growth investors can use to reduce their risk. This can involve investing in a variety of different stocks, or even across different asset classes, such as bonds or real estate.

By spreading their investments across different assets, growth investors can gain exposure to the market without relying too heavily on any one investment. This can help them achieve their long-term investment goals while reducing the risk of loss due to fluctuations in the market.

3. Saving Money for your Retirement

It's important to work hard and save throughout your life, but all that effort can go to waste if you don't have a financially secure retirement. To ensure that you and your spouse are protected in your golden years, it's essential to regularly invest your savings in a secure retirement-friendly scheme.

By following some smart investment strategies, your investments can provide you with the financial security you need to live a debt-free life during your retirement years. With the passive income generated from your investments, you can maintain your financial independence and pursue your dreams without worrying about money. By investing wisely, you can build a solid foundation for your retirement and enjoy the fruits of your labour in your later years.

4. Preservation of Capital

Low-risk income investors prioritize the preservation of their capital above all else, even if it means earning a lower return on their investment. These investors prefer to invest in lower-risk, conservative options such as fixed deposits, high-interest savings accounts, and other similar investments.

Unlike other types of investors who may be willing to take on more risk in pursuit of higher returns, low-risk income investors are content with earning modest returns as long as their initial investment is preserved.

This strategy helps to protect their money from market volatility and other economic uncertainties. By investing in more conservative options, low-risk income investors can enjoy a sense of security knowing that their money is relatively safe from market fluctuations, and they can count on a steady stream of income from their investments.

5. To be Prepared for Emergencies

Emergencies can strike at any time, and it's always best to be prepared. As Franz Kafka famously said, "It's better to have and not need than to need and not have." That's why having a set of investments that can serve as contingency funds is critical, allowing you to rely on them in the event of any unforeseen financial emergencies.

Adequate emergency funds offer you the confidence to tackle any unexpected expenses that life may throw your way. By investing your savings, you ensure that you're financially prepared to handle both medical and non-medical emergencies.

Final Thoughts

It is clear investing is a great way to grow and save money. With proper research, planning, and patience, you can steadily build your wealth over time. There is no one-size-fits-all approach to investing; the best strategy depends on your individual needs and goals. Don't be afraid to ask for help if you don't feel comfortable making decisions on your own. Ultimately, the primary purpose of investing is to set yourself up for success financially in the future. ❑

ARTIFICIAL INTELLIGENCE - AN ENABLER FOR HR ANALYTICS

Human Resource (HR) management has undergone a disruptive transformation in the recent past with the advent of big data, machine learning and artificial intelligence (AI). The massive, complex datasets, commonly referred as big data in the techno-parlance is the powerhouse for machine learning. The advanced logarithmic learning of data patterns to arrive at useful insights find its use in almost all the sections of an organization. With a humongous pool of data regarding its employees, organizations have started investing in data analytics driven decision making to effectively use its resources including the core - human resources.

AI in HR is having a wide spectrum of benefits ranging from inception of an employee's career journey with the organization to her retention; supplementing her professional growth; enabling her continuous learning etc. and the list extends further.

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Talent Acquisition to Experience Enhancement

Staying ahead of the peer competitors needs to attract the talented workforce with required skillsets to outperform the rest. Using AI based applications enable HR managers to quickly interpret the nuances across the candidate applications by transforming resumes into insightful data. Ample amount of time and cost thus get saved in efficiently identifying the right talent fitting their requirement.

The recruits have varied expectations about work experience and want tailored offerings from employer. AI can be leveraged to identify the distinct characteristics of every employee through engagement surveys, feedback methodologies and similar tools to match their nature with particular job roles, departments, and other employees in the organization. Better support to employees through improved employee experience motivate them to grow in their career along with the organization and hence, assists in employee retention, which is a pain of late for so many organizations.Major human resource and cost consuming processes of HR involved in recruitment, employee engagement are hence simplified by the AI assisted data analytics.

Skill Gap Closure for Career Development

Aligning skills of employees with the business needs as per organization strategy by analyzing their data yields better results for an organization. There is a need for employees too to continuously upgrade their knowledge level and skills which becomes cardinal to reach to senior managerial roles handling diverse teams. The gap in the current skillsets of employees vis-a-vis required skillsets need to be assessed regularly which require long manhours from HR.

This can be minimized to a larger extent by putting AI in analyzing employees' learning datasets for personalized module creation, enrollment, completion rates, and post course measurement of learning outcome in productivity. Inclusive learning for all the employees who differs individually based on their academic background, age and other interwoven factors warrants AI integrated analytics. It provides candid information on the learning curve of employees and positively skew it towards employee driven career development in the long run

Better, Unbiased Resource Management

Administrative works which are repetitive in nature and are less significant can be automated using algorithms which

relieve the HR managers to focus on strategic and innovative processes, furthering efficiency. Chatbots for employees to resolve their queries instantly and periodic surveys with AI based assessments add to the employees' job satisfaction and their loyalty towards organization.

Employees can be reassigned between job roles by analyzing, using AI, the employee headcounts to the activities based on the past datasets. It will effectively allocate employees across the departments in organization so that overstaffed/ understaffed issues do not arise.

Besides helping the organization in establishing and improving relationships with the existing workforce, it reduces inherent human perception and emotional bias as the decision making is assisted by dependable data in lieu of humans. From eliminating bias in hiring to performance appraisal, AI augment HR processes considerably.

Proper Feed for Accurate Insights

Intelligence developed in any AI models are based on the data which is fed to train the algorithms and hence the AI assisted HR analytics is not free of intrinsic bias in connection with the data used. Moreover, the personality traits and characteristics of employees cannot be completely measured using data models available at present. It is a limitation which has to be corrected by human interventions. Real time working of the models and AI technologies need to be consistently monitored and rectified to achieve highly effect analytical solutions for the organizations.

Truly an Enabler

Harnessing the huge potential of data resting with organizations with the AI based HR analytics will be symbiotically beneficial for organizations and employees. Data driven decision making, free from human biases helps organizations to work in smooth, efficient ways. By leveraging the data derived from AI based HR analytics, performance improvement occurs by properly aligning its human resources with the organizational strategies.

From reducing attrition rates in organization to increasing its productivity through enhanced employee engagement, the artificial intelligence technologies and models are truly an enabler for human resource analytics to create dynamic workplaces of tomorrow. ❑

The rationale behind decriminalising economic offences for case of doing business

Union Budget 2023 emphasised the importance of improving ease of doing business in India. To help achieve this, several compliance requirements have been eased and certain activities that were earlier criminalised have been decriminalised.

To reduce the compliance burden on individuals and businesses, the Jan Vishwas Bill introduced amendments to 42 Acts including the Indian Post Office Act, 1898; Environment (Protection) Act, 1986; and Information Technology Act, 2000.

Decriminalisation should apply to offences that lack fraudulent or unethical aspects, have no negative impact on public interest.

The goal is to create a system in which sanctions are imposed rather than criminal processes, with the latter reserved for significant contraventions. Decriminalisation of economic offences in India requires a coordinated strategy by the central and state governments.

Best practices

The government of India can take the lead by offering guidelines, best practices, and technical assistance to states and Union territories.

It could also provide financial incentives and other support to implement the process efficiently. States can engage in public-private partnerships along with other stakeholders to ensure that the decriminalisation process is effective, and meets the needs of businesses and society.

Lastly, they can enlist judicial institutions and legal experts to ensure that the decriminalisation process is fair and transparent. Legal professionals can assist states and UTs in developing laws and regulations that are consistent with decriminalisation concepts.

Decriminalisation of economic offences is a developing trend in many countries, as a way to improve ease of doing business. Singapore, for instance, is recognised as a model for ease of doing business, thanks to its streamlined regulatory framework, efficient government processes, and support for entrepreneurship and innovation.

The Intellectual Property Office of Singapore and the Singapore International Arbitration Centre have been set up to address commercial disputes and settle them through alternative procedures such as arbitration and mediation.

In the US, several states impose civil fines instead of criminal charges for specific economic offences. In California, for instance, white-collar crimes such as securities fraud and embezzlement attract civil penalties and not criminal prosecution.

Lighten the load

The UK has launched measures to reduce the administrative load on businesses, including fewer rules, improved compliance processes, and simpler access to finance and support for enterprises. There are alternatives to criminal punishment in cases such as violation of the Company Directors Disqualification Act of 1986, which attracts fines or restrictions on future participation in company management.

With India climbing from 142nd rank in 2014 to 63rd in 2022 in the World Bank's 'ease of doing business' rankings, efforts are on to achieve further progress. The shift from criminal charges to monetary fines for non-compliance is forward-thinking.

India must continue to focus on reducing compliance requirements while also offering a conducive climate for foreign investment. *(Source: Business Line)*

India at a crossroads: Reduce the risks of economic concentration

India is poised to become the world's most important country in the medium term. It has the largest population (which is still growing), and with a per capita GDP that is just one-quarter that of China's, its economy has enormous scope for productivity gains. Moreover, India's military and geopolitical importance will only grow, and it is a vibrant democracy whose cultural diversity will generate soft power to rival the US and the UK.

One must credit Prime Minister Narendra Modi for implementing policies that have modernized India and supported its growth. Specifically, Modi has made massive investments in the single market (including through demonetization and a major tax reform) and infrastructure (not just roads, electricity, education, and sanitation, but also digital capacity).

These investments-together with industrial policies to accelerate domestic manufacturing, a comparative advantage in tech and IT in particular, and a customized digital-based welfare system-have led to robust economic performance following the covid slump.

Yet, the model that has driven India's growth now threatens to constrain it. The main risks to India's development prospects are more micro and structural than macro or cyclical. First, India has moved to an economic model where a few 'national champions'-effectively large private oligopolistic conglomerates-control significant parts of the old economy. This pattern resembles Indonesia under Suharto (1967-98), China under Hu Jintao (2002-12) or South Korea in the 1990s under its dominant chaebols.

In some ways, this concentration of economic power has served India well. Owing to superior financial management, the economy has grown fast, despite investment rates (as a share of GDP) that were much lower than China's, for example. The implication is that India's investments have been much more efficient; indeed, many of India's conglomerates boast world-class levels of productivity and competitiveness.

But the dark side of this system is that these conglomerates have been able to capture policymaking to benefit themselves. This has had two broad, harmful effects: it is stifling innovation and effectively killing early-stage startups and domestic entrants in key industries; and it is changing the government's 'Make in India' programme into a counterproductive, protectionist scheme.

We may now be seeing these effects reflected in India's potential growth, which seems to have declined rather than accelerated recently. Just as the Asian Tigers did well in the 1980s and 1990s with a growth model based on gross exports of manufactured goods, India has done the same with exports of tech services. 'Make in India' was intended to strengthen the economy's tradable side by fostering the production of goods for export, not just for the Indian market.

Instead, India is moving toward more protectionist import-substitution and domestic production subsidization (with nationalistic overtones), both of which insulate domestic industries and conglomerates from global competition. Its tariff policies are preventing it from becoming more competitive in goods exports, and its resistance to joining regional trade agreements is hampering its full integration into global value and supply chains.

Another problem is that 'Make in India' has evolved to support production in labour-intensive industries such as cars, tractors, locomotives, trains and so forth. While the labour intensity of production is an important factor in any labour-abundant country, India should be focusing on industries where it has a comparative advantage, such as tech and IT, artificial intelligence, business services and fintech. It needs fewer scooters, and more Internet of Things startups. Like many of the other successful Asian economies, policymakers should nurture these especially dynamic sectors by establishing special economic zones. Absent such changes, 'Make in India' will continue to produce suboptimal results.

Finally, the recent saga surrounding the Adani Group is a symptom of a trend that will eventually hurt India's growth. It is possible that Adani's rapid growth was enabled by a system in which the Indian government tends to favour certain large conglomerates and the latter benefit from such closeness while supporting policy goals. Again, Modi's policies have deservedly made him one of the most popular political leaders at home and in the world today. He and his advisers do not appear personally corrupt, and their Bharatiya Janata Party will likely win re-election in 2024 regardless of this scandal. But the optics of the Adani story are concerning.

There is a perception that the Adani Group may be, in part, helping support the state political machinery and finance state and local projects that would otherwise go unfunded, given local fiscal and technocratic constraints. In this sense, the system may be akin to 'pork barrel' politics in the US, where certain local projects get earmarked in a legal (if not entirely transparent) congressional vote-buying process.

Supposing that this interpretation is even partly correct, Indian authorities might reply that the system is "necessary" to accelerate infrastructure spending and economic development. Even so, this practice would be toxic, and it would represent a wholly different flavour of realpolitik compared to, say, India's vast purchases of Russian oil since the start of the Ukraine War.

While those shipments still account for less than one-third of India's total energy purchases, they have come at a significant discount. Given per capita GDP of around $2,500, it is understandable that India would avail itself of lower-cost energy. Complaints by Western countries that are 20 times richer are simply not credible.

While the scandal surrounding the Adani empire does not seem to extend beyond the conglomerate itself, the case does have macro implications for India's institutional robustness and global investors' perceptions of India. The Asian financial crisis of the 1990s demonstrated that, over time, the partial capture of economic policy by crony capitalist conglomerates will hurt productivity growth by hampering competition, inhibiting Schumpeterian 'creative destruction' and increasing inequality.

It is thus in the Modi administration's interest to ensure that India does not go down this path. India's long-term success ultimately depends on whether it can foster and sustain a growth model that is competitive, dynamic, sustainable, inclusive and fair. *(Source: Mint)*

RBI circular on branch audit of PSBs causes disquiet

Chartered accounts (CAs) who audit public sector banks (PSBs) are worried as the Reserve Bank of India has left it to the banks to decide the percentage of their branch business they want to get audited from FY24. Auditors say this would severely impact their ability to properly assess the situation and highlight the risks. For the current financial year, the RBI has drastically reduced the percentage of business of the branches that can be audited.

A recent circular from the RBI declared that the statutory branch audit of the PSBs should be carried out to cover a minimum of 70 percent of the funded and non-funded business for FY23 and from FY24 they can decide the percentage of business coverage they want audited. Earlier, the audit coverage of any PSB branch was 90 percent.

The RBI has also specified that the PSB board can decide on selection of branches for audit purposes, which would effectively mean that all branches will not be covered under the audit. There are a total of 84,000 bank branches in India and RBI has said that each auditor can cover only 2 branches.

“For FY23, statutory branch audit of PSBs shall be carried out so as to cover a minimum of 70 percent of all funded and 70 percent of all non-funded credit exposures of the bank. For FY23-24 and onwards, the PSBs are being given the discretion to determine business coverage under statutory branch audit, as per their board approved policy, after considering bank-specific aspects relating to business and financial risks,” the RBI circular said.

RBI CIRCULAR

Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy

March 28, 2023

1. Please refer to para 7 of the circular DOR.CAP.REC.No.86/09.18.201/2022-23 dated December 01, 2022 on 'Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy.
2. It has been decided that the instructions shall come into effect from March 31, 2023.
3. All other instructions of the circular ibid remain unchanged.

Annual Closing of Government Accounts – Transactions of Central / State Governments – Special Measures for the Current Financial Year (2022-23)

March 21, 2023

1. All government transactions done by agency banks for the Financial Year 2022-23 must be accounted for within the same financial year. Accordingly, the following arrangements are put in place to report and account for Government transactions for March 31, 2023.
2. All agency banks should keep their designated branches open for over the counter transactions related to government transactions upto the normal working hours on March 31, 2023.
3. Transactions through National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) System will continue upto 2400 hours as hitherto on March 31, 2023.
4. Special clearing will be conducted for collection of government cheques on March 31, 2023 for which the Department of Payment and Settlement Systems (DPSS), RBI will issue necessary instructions.
5. Regarding reporting of Central and State Government transactions to RBI, including uploading of GST/ TIN2.0/ e-receipts luggage files, the reporting window of March 31, 2023 will be kept open till 1200 hours noon on April 1, 2023.
6. Agency banks may take note and give adequate publicity to the special arrangements made as above.

Implementation of Section 51A of UAPA,1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendments to 102 entries

March 17, 2023

1. Please refer to Section 51 of our Master Direction on Know Your Customer dated February 25, 2016 as amended on May 10, 2021 (MD on KYC), in terms of which "Regulated Entities (REs) shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967, they do not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and

periodically circulated by the United Nations Security Council (UNSC)."

2. In this connection, Ministry of External Affairs (MEA) has informed about UNSC press release SC/15229 dated March 15, 2023 wherein the Security Council Committee approved amendment to 102 entries (attached in Annex) on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities subject to the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2610 (2021), and these entries were amended following the 2021 Annual Review conducted in accordance with paragraphs 90 and 91 of resolution 2610 (2021).
3. The UNSC press release concerning amendments to the list is available at URL: https://www.un.org/securitycouncil/sanctions/1267/press-releases
4. The details of the sanction measures and exemptions are available at the following URL: https://www.un.org/securitycouncil/sanctions/1267#further_information
5. In view of the above, REs are advised to take appropriate action in terms of sections 51, 52 and 53 of the MD on KYC and strictly follow the procedure laid down in the UAPA Order dated February 2, 2021 annexed to the MD on KYC.
6. Updated lists of individuals and entities linked to ISIL (Da'esh), Al-Qaida and Taliban are available at:

   www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list

   https://www.un.org/securitycouncil/sanctions/1988/materials
7. Further, as per the instructions from the Ministry of Home Affairs (MHA), any request for delisting received by any RE is to be forwarded electronically to Joint Secretary (CTCR), MHA for consideration. Individuals, groups, undertakings or entities seeking to be removed from the Security Council's ISIL (Da'esh) and Al-Qaida Sanctions List can submit their request for delisting to an independent and impartial Ombudsperson who has been appointed by the United Nations Secretary-General. More details are available at the following URL: https://www.un.org/securitycouncil/ombudsperson/application
8. REs are advised to take note of the aforementioned UNSC communications and ensure meticulous compliance.

Reporting and Accounting of Central Government transactions for March 2023

March 16, 2023

1. Please refer to Circular DGBA.GBD.No.S1422/42-01-029/2021-2022 dated February 24, 2022 advising the procedure to be followed for reporting and accounting of Central Government transactions (including CBDT, CBIC, Departmentalized Ministries and Non-Civil Ministries) at the Receiving/Nodal/Focal Point branches of your bank for the Financial Year 2021-22.
2. The Government of India has decided that the date of closure of residual transactions for the month of March 2023 be fixed as April 10, 2023. In view of the ensuing closing of Government accounts for the financial year 2022-23, receiving branches including those not situated locally, should adopt special arrangements such as courier service etc., for passing on challans/scrolls etc., to the Nodal/Focal Point branches so that all payments and collections made on behalf of Government towards the end of March are accounted for in the same financial year. These instructions regarding special messenger arrangements may please be informed to all branches concerned.
3. As regards reporting of March 2023 transactions by Nodal/Focal Point branches in April 2023, the branches may be advised to follow the procedure as outlined in the Annex. To sum up, the nodal/Focal Point branches will be required to prepare separate set of scrolls, one pertaining to March 2023 residual transactions and another for April transactions during the first 10 days of April 2023. The Nodal/Focal Point branches should also ensure that the accounts for all transactions (revenues/tax collections/payments) are effected at the receiving branches up to March 31, 2023 in the accounts for the current financial year itself and are not mixed up with the transactions of April 2023. Also, while reporting transactions pertaining to March 2023 up to April 10, 2023, the transactions of April 2023 should not be mixed up with the residual transactions relating to March 2023.
4. Kindly issue necessary instructions in the matter to your branches concerned immediately.

Small Finance Banks : Deposits/Investments/Advances

As on March 31 *(Rs. Crore)*

S. N.	Banks	Deposits			Investments			Advances		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
1	Au Small Finance Bank Ltd.	26,164	35,979	52,585	10,668	10,815	15,307	26,992	34,609	46,095
2	Capital Small Finance Bank Ltd.	4,447	5,221	6,046	1,052	1,212	1,357	3,308	3,727	4,635
3	Equitas Small Finance Bank Ltd.	10,788	16,392	18,951	2,343	3,705	4,450	13,728	16,848	19,374
4	ESAF Small Finance Bank Ltd.	7,028	8,999	12,815	1,734	1,932	4,070	6,548	8,168	11,637
5	Fincare Small Finance Bank Ltd.	4,654	5,319	6,456	1,007	1,279	2,152	4,816	5,301	7,036
6	Jana Small Finance Bank Ltd.	9,652	12,386	13,540	2,650	4,698	5,065	9,957	11,612	13,007
7	North East Small Finance Bank Ltd.	890	1,277	1,529	353	314	277	1,348	1,655	1,627
8	Suryoday Small Finance Bank Ltd.	2,849	3,256	3,850	808	1,874	2,058	3,532	3,983	4,751
9	Ujjivan Small Finance Bank Ltd.	10,780	13,136	18,292	2,396	2,516	4,153	14,044	14,494	16,303
10	Utkarsh Small Finance Bank Ltd.	5,235	7,508	10,074	1,192	2,314	2,348	6,282	8,217	10,228
11	Shivalik Small Finance Bank Ltd. *	-	-	1,593	-	-	425	-	-	1,109
12	Unity Small Finance Bank Ltd. #	-	-	3,822	-	-	2,771	-	-	2,419
	TOTAL OF SMALL FINANCE BANKS	**82,487**	**109,472**	**149,552**	**24,204**	**30,659**	**44,433**	**90,554**	**108,614**	**138,221**

* Shivalik Small Finance Bank commenced its business operations on 26.04.2021 post the completion of its transition to Small Finance Bank in 2020 on receiving in-principle approval from RBI.

\# Unity SFB is the 12th Small Finance Bank and opened its first branch in Mumbai on 01.11.2021 after its amalgamation with Punjab & Maharashtra Co-operative Bank Ltd.

Source : Reserve Bank of India.

Private Sector Banks : Deposits/Investments/Advances

As on March 31 *(Rs. Crore)*

S. N.	Banks	Deposits			Investments			Advances		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
1	City Union Bank Ltd.	40,832	44,537	47,690	9,117	9,436	12,221	33,927	36,158	40,358
2	Tamilnad Mercantile Bank Ltd.	36,825	40,970	44,933	9,467	11,703	13,035	27,716	31,070	33,492
3	The Catholic Syrian Bank Ltd.	15,790	19,140	20,188	5,360	6,126	7,012	11,366	14,438	15,815
4	Dhanlaxmi Bank Ltd	10,904	11,711	12,403	3,682	4,439	4,044	6,496	6,787	8,142
5	The Federal Bank Ltd.	152,290	172,644	181,701	35,893	37,186	39,179	122,268	131,879	144,928
6	The Jammu & Kashmir Bank Ltd.	97,788	108,061	114,710	23,052	30,814	33,835	64,399	66,842	70,401
7	The Karnataka Bank Ltd.	71,785	75,655	80,387	17,545	21,635	22,041	56,964	51,516	56,783
8	The Karur Vysya Bank Ltd.	59,075	63,278	68,676	15,762	16,019	17,216	46,098	50,364	55,335
9	The Lakshmi Vilas Bank Ltd. $	21,443	-	-	5,384	-	-	13,828	-	-
10	Nainital Bank Ltd.	7,679	7,413	7,486	1,676	2,319	2,291	3,829	3,648	3,917
11	RBL Bank	57,812	73,121	79,007	18,150	23,230	22,274	58,019	58,623	60,022
12	The South Indian Bank Ltd.	83,033	82,711	89,142	20,625	20,321	21,445	64,439	58,056	59,993
I	**TOTAL OF 12 PVT BANKS [I]**	**655,258**	**699,242**	**746,323**	**165,714**	**183,229**	**194,594**	**509,350**	**509,379**	**549,186**
II	**NEW PRIVATE SECTOR BANKS**									
13	Axis Bank Ltd.	640,105	697,985	821,721	156,734	226,120	275,597	571,424	614,399	707,696
14	DCB Bank Ltd.	30,370	29,704	34,692	7,742	8,414	9,098	25,345	25,737	29,096
15	HDFC Bank Ltd.	1,147,502	1,335,060	1,559,217	391,827	443,728	455,536	993,703	1,132,837	1,368,821
16	ICICI Bank Ltd.	770,969	932,522	1,064,572	249,531	281,287	310,241	645,290	733,729	859,020
17	Indusind Bank Ltd.	202,040	256,205	293,681	59,980	69,695	70,971	206,783	212,595	239,052
18	Kotak Mahindra Bank Ltd.	262,820	280,100	311,684	75,051	105,099	100,580	219,748	223,670	271,254
19	YES Bank	105,364	162,947	197,192	43,915	43,319	51,896	171,443	166,893	181,052
20	Bandhan Bank	57,082	77,972	96,331	15,352	25,155	29,079	66,630	81,613	93,975
21	IDFC First Bank Ltd.	65,108	88,688	105,634	45,405	45,412	46,145	85,595	100,550	117,858
22	IDBI Ltd.	222,424	230,852	233,134	81,780	81,023	82,988	129,842	128,150	145,772
II	**TOTAL OF NEW PVT BANKS [II]**	**3,503,784**	**4,092,035**	**4,717,858**	**1,127,317**	**1,329,251**	**1,432,132**	**3,115,804**	**3,420,174**	**4,013,596**
III	**TOTAL OF PVT BANKS [I+II]**	**4,159,041**	**4,791,277**	**5,464,181**	**1,293,030**	**1,512,480**	**1,626,725**	**3,625,154**	**3,929,553**	**4,562,781**

$ The Lakshmi Vilas Bank Ltd. branches to operate as DBS Bank India Ltd. branches from November 27, 2020

Source : Reserve Bank of India.

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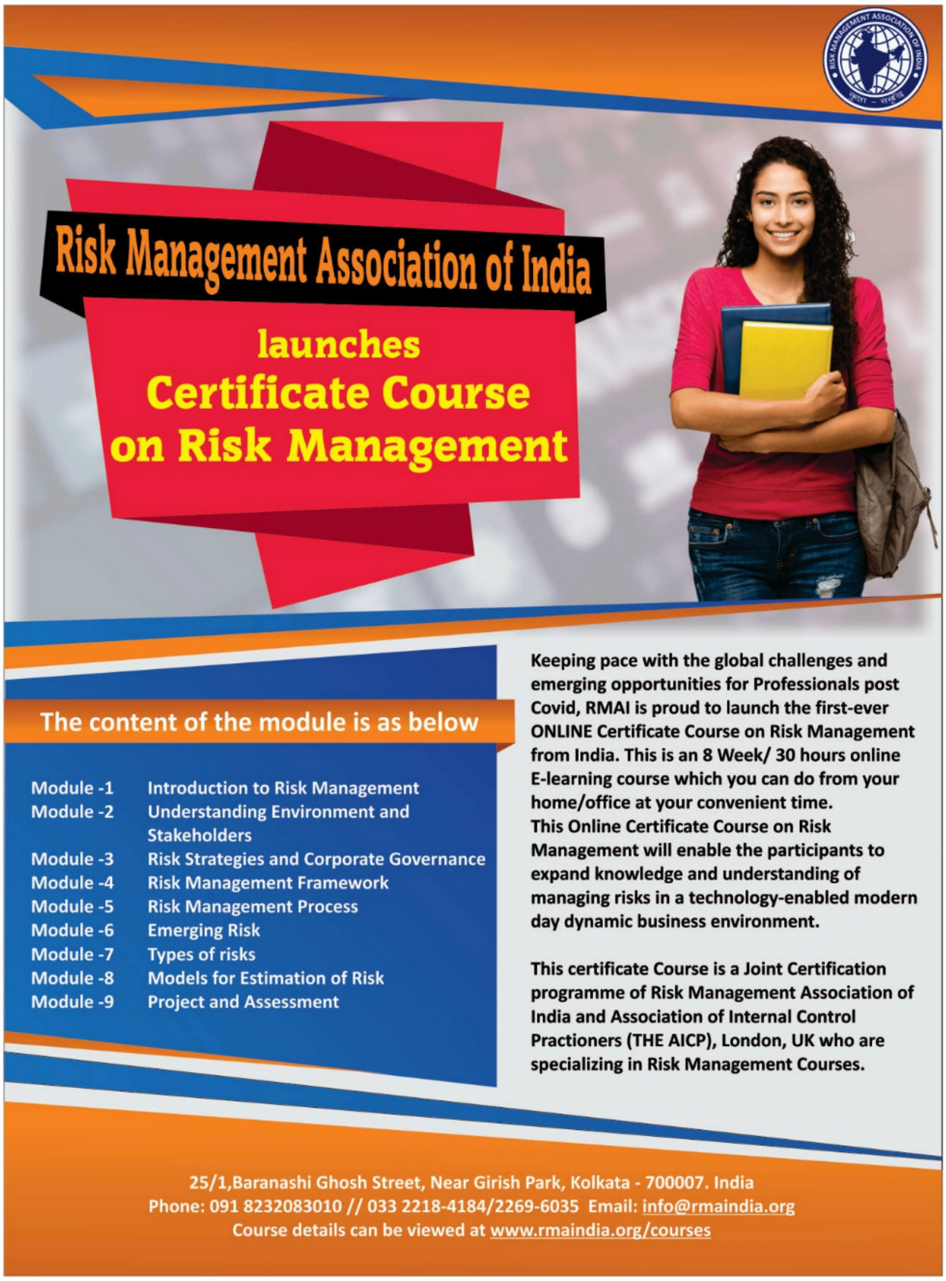

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