NPAs: RBI blames i-bankers for faulty project/loan apprisals

MUMBAI, DEC 22 /--/ The Reserve Bank has blamed conflicts of interest among merchant bankers as one of the prime reasons for faulty project appraisals that has led to the piling up of huge non-performing assets in the system which has crossed 10 per cent or over Rs 10 trillion as of the September quarter.

"The impairment crisis in the banks has also highlighted certain basic deficiencies with regard to the appraisal of long-term projects with a significant gestation time," the central bank said in the Financial Stability Report (FSR) for the first half of the current financial year.

"A significant part of such projects undertaken were consortium lending with appraisals being carried out by professional merchant bankers with built-in conflicts of interest (since they are paid by the borrowers)," the half-yearly report released late last evening said.

It can be noted that since the public sector banks dominate the credit space, lead by the market leader SBI, lenders have been engaging SBI Caps, the merchant banking arm of SBI, for both loan appraisals as well as loan restructuring and even project appraisals. With a gross non-performing assets ratio which increased by 19.3 per cent, the corporate sector contributed highest to dud assets among all segments, and was primarily led by metals, power. engineering, infrastructure and construction sectors, which involve project appraisals.

The GNPAs in basic metals and metal products were 44.5 per cent, that of construction stood at 26.7 per cent, infrastructure (19.6 per cent) and engineering GNPAs zoomed to 31 per cent, the report said.

The report has projected GNPAs to jump to 10.8 per cent by the March quarter and to 11.1 per cent by September 2018 and blamed the spike to primarily to private sector banks which had been under-reporting their dud loans. In the September quarter, the GNPAs had spike to 10.2 per cent from 9.6 per cent six months earlier.

"The banking stability indicator (BSI) shows that the risks remain at an elevated level weighed down by further asset quality deterioration," the FSR noted.

Overall, the stressed assets, including restructured loans and dud loans increased marginally to 12.2 per cent during the same period from 12.1 per cent. The state-run banks GNPA shot by 100 bps to 13.5 per cent while the same for their private sector peers jumped to 3.80 per cent. The report, significantly noted that private sector lenders, considered more prudent are the ones reporting the most stress reporting a whopping 40.8 per cent spike in their GNPAs as against 17 per cent by the state-run ones whose lazy banking has been blamed primarily for the mess in the system.

Honda tops two-wheeler market

EOI CORRESPONDENT

KOLKATA/NEW DELHI, DEC 22/--/ Honda 2Wheelers India has bagged the No. 1 One choice platform of two-wheeler customers in more than half of the Indian 2Wheeler market, according to company sources.

Honda is now the No. 1 two-wheeler brand in 15 States and 2 Union Territories of India which together account for a massive 52% of all two-wheelers sold in India.

These 17 markets include entire West region (Maharashtra, Gujarat, Goa), entire South region (Andhra Pradesh & Telengana, Tamil Nadu, Kerala, Karnataka) in addition to Punjab, Delhi, Jammu & Kashmir, Himachal Pradesh, Chandigarh, Uttarakhand, Manipur, Arunachal Pradesh, Nagaland and Andaman & Nicobar Islands.

Expressing delight on this new landmark, Minoru Kato, President & CEO, Honda Motorcycle & Scooter India, said, "Led by our deep understanding of customer needs of today and dreams of tomorrow, Honda has been expanding opportunities to win the heart of Indian society. We have invested with speed and aggression to meet demand for quality Honda products. In just 6 years, Honda has expanded from one to four plants, launched new exciting models and tripled our network reach. We thank our valuable customers in India who are fulfilling their dreams while riding a Honda two-wheeler and will continue our endeavor to win more hearts going forward."

Thyssenkrupp strikes pact with workers ahead of Tata merger

LONDON, DEC 22 /--/ German steel giant Thyssenkrupp has announced a "negotiated settlement" with its workers to clear the way for its proposed joint venture with Tata Steel Europe. As part of the agreement made with workers' union IG Metall last night, Thyssenkrupp employees have won a guarantee of job security until September 30, 2026.

The union will now put the negotiated settlement to a vote at ThyssenkruppÂ's steel sites in January 2018.

"In the joint working group set up by the Thyssenkrupp Supervisory Board, Thyssenkrupp and trade union IG Metall have reached a negotiated settlement on the conclusion of a collective agreement. "The agreement will set collectively agreed parameters for the planned combination of the European steel activities of Thyssenkrupp and Tata Steel Europe in a 50/50 joint venture,Â" the German steel major said in a statement. Following the settlement, the company hopes to complete its JV with Tata by the end of next year.

"As part of the ongoing due diligence, independent expert opinions on the viability of the joint venture and the UK pension liabilities of Tata Steel Europe are being drawn up. Following completion of due diligence, the signing of the joint venture agreement is targeted for early 2018. Once regulatory approval has been received, the closing could take place at the end of 2018," Thyssenkrupp said. Its settlement with steelworkers applies to all of ThyssenkruppÂ's German steel sites. The collective agreement is to come into force with the start of the joint venture and apply for around eight years until September 30, 2026, the company said.

Thyssenkrupp had announced the formation of a joint venture of its European steel activities with Tata Steel Europe in September. Its stated aim is to create a leading European flat steel provider and position it as a quality and technology leader. The new company would have pro-forma sales of roughly 15 billion euros and employ around 48,000 people. "The settlement corresponds with our understanding of corporate responsibility. It gives us the ability to achieve the economic advantages and synergies forecast for the joint venture and so create value as planned for Thyssenkrupp and its shareholders. "At the same time, we are providing the employees of the joint venture with good prospects for the future and securing jobs,Â" said Dr Heinrich Hiesinger, CEO of Thyssenkrupp AG. (PTI)

No question of closing down any PSB: Govt/RBI

NEW DELHI/MUMBAI: Dismissing rumours, both the government and the Reserve Bank on Friday said there was no question of closure of any public sector bank.

The decision of the Reserve Bank to initiate a 'prompt corrective action' (PCA) against large state-owned lender Bank of India led to rumours that the government may close down some banks.

The RBI in a statement said that it has come across some "misinformed communication" circulating in some section of media, including social media, about closure of some public sector banks in the wake of their being placed under the PCA. The government too dismissed such rumours saying that on the contrary it is planning to strengthen the state-owned banks. "No question of closing down any Bank. Government is strengthening PSBs by 2.11 lakh crore recapitalisation plan.

Do not believe rumour mongers. Recap, Reforms roadmap for PSBs firmly on track," said financial services Secretary Rajeev Kumar in a tweet. The RBI, on its part, clarified that "the PCA framework is not intended to constrain normal operations of the banks for the general public". The central bank had issued a similar clarification in June also. It emphasised that the PCA framework has been in operation since December 2002 and the guidelines issued on April 13, 2017 are only a revised version of the earlier framework. Besides Bank of India, the RBI has also initiated similar action against other public sector banks including IDBI Bank, Indian Overseas Bank and UCO Bank.

The RBI said that under its supervisory framework, it uses various measures/tools to maintain sound financial health of banks.

"PCA framework is one of such supervisory tools, which involves monitoring of certain performance indicators of the banks as an early warning exercise and is initiated once such thresholds as relating to capital, asset quality etc. are breached," it said.

Banks lost nearly Rs 17K cr to frauds last fiscal, says FinMin

NEW DELHI: Banks lost a whopping Rs 16,789 crore on account of frauds in the last fiscal, the finance ministry said in the Lok Sabha on Friday.

The Reserve Bank has informed that as per the fraud monitoring reports submitted by the scheduled commercial banks and select financial institutions, "the amount lost on account of frauds during 2016-17 was Rs 16,789 crore", said Minister of State for Finance Shiv Pratap Shukla in a written reply.

He further said an inter-disciplinary standing committee on cbyer security has been constituted by the RBI comprising academia, information security audit, forensic and cybersecurity experts. The committee reviews, inter alia, threats inherent in the existing or emerging technology, and suggests appropriate policy interventions. In another reply, he said incidents of bank robbery, theft, dacoity and burglary were reported from different parts of the country during 2016-17.

The amount involved in such incidents totalled about Rs 65.3 crore. Further, 393 such cases involving Rs 18.48 crore have were reported in the first half of the current fiscal. Shukla said the RBI has advised banks from time to time to enhance security arrangements at their branches and ATMS.

In another reply, Minister of State for Finance P Radhakrishnan said the new fake currency (Rs 2,000 and Rs 500) seized in the recent past are scanned or photocopied notes.

"In most of these cases, the copied notes sport similar serial numbers," he said.

He said as per available records, the agencies concerned have not reported any high quality counterfeit in the new Rs 500/2000 denomination banknote as defined in the Unlawful Activities (Prevention) Act. (PTI)

Miraj Cinemas opens two screen multiplex at Howrah

EOI CORRESPONDENT

KOLKATA, DEC 22/--/ Miraj Cinemas enters West Bengal with the launch of its new multiplex at Aurobindo Mall, Salkia in Howrah district. The new property of Miraj Cinemas is equipped with 2 screens with boasts of 516 plush seating capacities along with 3D ready projectors. With the new multiplex launch here in West Bengal the company is now having 84 operational screens across the nation.

Amit Sharma, Managing Director, Miraj Cinemas said, "It gives immense pleasure to dedicate best in class movie viewing experience to the people of Salkia and nearby localities with our new property launch at Aurobindo Mall. I hope our new property here will be able to bring smile to every movie lovers of the area as it is equipped with advance facilities and technologies.

This property is the first multiplex in the state of West Bengal and we will look forward more such opportunities in coming daysto spread our network rigorously."

Mr Sharma said, "Since its inception in the year 2012, Miraj Cinemas is striving towards growth through invention and reinvention. Our work is an innovator in the realm of world class cinema viewing experience for all as our philosophy has always been to push the envelope and come up with unique cinematic experiences for our larger audience."

Bhuvanesh Mendiratta, VP, Operations, Miraj Cinemas, "Pan India we have invested over Rs100 crore over past five years and will go all out to enhance our presence massively by with over 100 screens soon."

Today, Miraj Cinemas has 84 screens spread across the length and breadth of the country and known as one of the fastest growing multiplex chain in the Indian movie exhibition industry as its operates close to 100 screens today only through an organic growth.

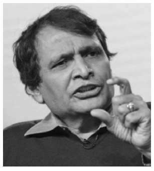
AAPI with KPC to host 11th Global Health Summit

KOLKATA, DEC 22/--/ American Association of Physicians of Indian Origin, AAPI in association with KPC Medical College & Hospital, announces plans of inaugurating a Doctors Summit, under the umbrella of its 11th Global health Summit in Kolkata from December 27th to 30th, 2017. Its major initiatives incorporates engaging with Healthcare professionals and Govt. of West Bengal in collaboration with Union Ministry for Health and Family Welfare and several leading professional associations to enhance skills, exchange of knowledge and best practices towards our lofty vision of addressing major disease states and making quality healthcare affordable and accessible to all people. To support this endeavor AAPI will bring together the best minds in medicine from India and the United States to collaborate and develop cutting edge, practical and India centric solutions. (EOIC)

2G case: Court says ex-law ministers conduct against protocol

NEW DELHI, DEC 22 /--/ Former Law Minister H R Bhardwajs conduct while dealing with the issue relating to grant of new 2G licences was against "all established canons, discipline and protocol of government working", a special court has said. Special Judge O P Saini, while acquitting former telecom minister A Raja and others in 2G spectrum allocation cases, lashed out at the then law minister and former law secretary T K Vishwanathan for their conduct and termed the law ministry's opinion given at that time as "wholly outlandish". The court said the opinion of the law ministry, to refer to an Empowered Group of Ministers (EGoM) the matter relating to the issue of new licences and allocation of spectrum to dual technology applicants, was aimed at "creating unnecessary controversy". It said the EGoM was constituted to deal with vacation of spectrum and raising resources for the same and it was not meant for considering processing of applications received in the Department of Telecom (DoT) for the grant of unified access services (UAS) licences. "In this background, the opinion of Law Ministry was wholly outlandish and was aimed at creating unnecessary controversy and stalling the process of licencing in the DoT," the judge said. The court noted that the DoT had in October 2007, written to the law secretary for seeking opinion of Attorney General (AG) of India/Solicitor General on the matters relating to the issue of new licences and allocation of spectrum to dual technology applicants. It said that when the opinion was first sought, the joint secretary (law) had sent back the reference on the ground that full facts were not mentioned in the DoTs request but later he again called back the file from the department unauthorisedly.

Committed to raising India's share in global trade: Prabhu



NEW DELHI, DEC 22 /--/ The Union government is committed to increasing India's contribution to global trade in a "very significant" manner, Commerce and Industry Minister Suresh Prabhu said on Friday.

He said he was looking forward to the country, which has about 1.7 per cent share in global trade, taking a rightful place in the world community as a significant player.

Speaking at the foundation stone laying ceremony of the International Exhibition-cum-Convention Centre (IECC) and the Integrated Transit Corridor Development Project here, Prabhu said that both imports and exports contribute significantly to improving the country's GDP.

"When we import something, that also adds to consumption, adds to the capacity of Indian manufacturing to create world- class products. Obviously when we export, it creates new capabilities," he added.

India is poised to be the third largest economy in the world, Prabhu said, adding that several factors are however need to make that happen.

"One of them obviously is increasing investments, increasing consumption within the country, and also propelling India to a new growth trajectory by making global trade as a driving force of increasing the rate of growth of Indian economy," he said.

Referring to the IECC, Prabhu said the Pragati Maidan re-development project will be an exhibit of what India is going to be.

"If you look at the kind of facilities that are going to be created, it is truly in the spirit of what modern India should be. This (project) will showcase India's ability to create world-class infrastructure," he said.

Housing and Urban Affairs Minister Hardeep Singh Puri said India's capacity to hold international events is "severely handicapped and circumscribed" by the absence of infrastructure to host such events. Puri said financial assistance amounting to Rs 739 crore, which is 80 per cent of the total cost of the Pragati Maidan re-development, was being contributed from the Urban Development Fund. (PTI)

Govt fixes projected investment in infra at Rs 38.22 l-cr

NEW DELHI, DEC 22 /--/ The Union government has fixed at Rs 38,22,822 crore the revised projections for investment in infrastructure in the past five years.

Finance Minister Arun Jaitley said in Lok Sabha that as per the NITI Aayog, the revised projection for investment in infrastructure in 2012-17 is Rs 38,22,822 crore, which is 1.6 times the investment of Rs 23,77,746 crore achieved in 2007-12 at current prices. Jaitley said the government was very much conscious that the development of infrastructure is crucial to boosting growth and expanding services in the country. The NITI Aayog's three-year action agenda (2017-18 to 2019-20) has also spelt out how infrastructure development is one of the most crucial elements of economic transformation.

"The total allocation for infrastructure sector in Budget 2017-18 stands at Rs 3,96,135 crore. The government recently announced a major infrastructure push with launch of Bharatmala programme," he said during Question Hour. The finance minister said the infrastructure projects in the country were implemented in public-private and private modes, while the public sector projects were implemented by the Centre, state governments and local bodies.

There is no central or single registry of infrastructure projects along with their funding in the country, he said. Jaitley said the government has taken a number of steps to mobilise funds from

various sources for development of infrastructure including launching of innovative financial vehicles such as infrastructure debt funds, real estate investment trusts, national investment and infrastructure fund, laying down a framework for municipal bonds, allowing complete pass through of income tax to securitisation trusts. (PTI)

Amway India opens Express Pick & Pay store in Howrah

EOI CORRESPONDENT

HOWRAH, DEC 22/--/ Amway India has opened an Express Pick & Pay Store today in Howrah. The store is located at 140/2, Salkia School road, Opposite to Ghasbagan maidan, Howrah. This is the forty fifth such store opened by the company in India as a part of its strategy to increase consumer outreach. The store's format is similar to a 'Mini Shopping Centre' which gives an opportunity to the Amway consumers and distributors to touch/feel and purchase the high-quality products offered by Amway.

G S Cheema, Sr. Vice President, North & East, Amway India, said, "West Bengal is one of the top three markets for Amway India and there is a high level of appreciation for Amway products in the state which is why we have opened the third Express Pick & Pay store of West Bengal in Howrah to support our direct sellers and consumers. This store will play a key role in increasing availability and visibility of Amway's products to consumers in the city."

Amway India sells more than 130 daily use products across categories like Nutrition, Beauty, Personal Care and Home Care. Amway products are popular not just in India but across the world.

Nutrilite is the world's No. 1 selling vitamins and dietary supplements brand* and has established itself as a leading brand in the vitamins and dietary supplements category in India as well. In skin care segment, Artistry is among the world's top five, largest selling, premium skin care brands** while 'Attitude' is a premium skincare and cosmetics brand targeted at Indian youth. The product range has been developed keeping the needs of Indian consumers into consideration. All Amway products will be available at the newly opened Express Pick & Pay store.

SBI Card and Bharat Petroleum launch BPCL SBI Card

EOI CORRESPONDENT

KOLKATA, DEC 22/--/ SBI Card and Bharat Petroleum, announced the launch of the BPCL SBI Card – the most rewarding fuel co-branded credit card in the country. Offering up to 5% savings on fuel purchases, the BPCL SBI Card brings consumers the strongest savings proposition on fuel in the industry. Designed to offer maximum savings to the mass affluent consumer segment which spends a significant amount on fuel, the BPCL SBI Card will offer up to 70 litres of free fuel per year to cardholders.

Vijay Jasuja, CEO, SBI Card said, "Our association with Bharat Petroleum is a landmark addition to our co-brand relationships. The BPCL SBI Card further strengthens our robust and varied co-branded card portfolio. Fuel is a key expenditure category in the consumption basket and contributes between 7-10% to overall spend in our portfolio.

Through the BPCL SBI Card, our cardholders will be able to derive direct savings on fuel expenditure. The card offers the highest savings proposition on fuel in the industry with up to 5% value back on fuel purchases. Together with providing industry best fuel benefits, our endeavour has been to make this a holistic credit card catering to all the major spending needs of a cardholder. It offers accelerated reward points on major spend categories such as Department Store & Grocery, Movies and Dining and Utility Bills, making it a well-rounded primary card for our customers.

Arun Singh, Executive Director (Retail), Bharat Petroleum while speaking on the launch said "Bharat Petroleum, with its robust network of more than 14,000 Fuel Stations spread across the length & breadth of the country, majority of which are automated and 'Pure for Sure' certified, offers a co-branded credit card with SBI Cards, with unmatched value propositions in the segment.