



## **Banks may face 60% haircut on power loans**

BY [JOEL REBELLO](#), ET BUREAU | SEP 04, 2018

**THE ECONOMIC TIMES**

Mumbai: Banks may have to take a haircut of as much as 60% from the close to Rs 1.8 lakh crore of loans to the power sector after the Allahabad High Court denied power companies interim relief from Reserve Bank of India's tightened NPA regulations, further impacting banking profitability, US-based brokerage Jefferies has stated in a note.

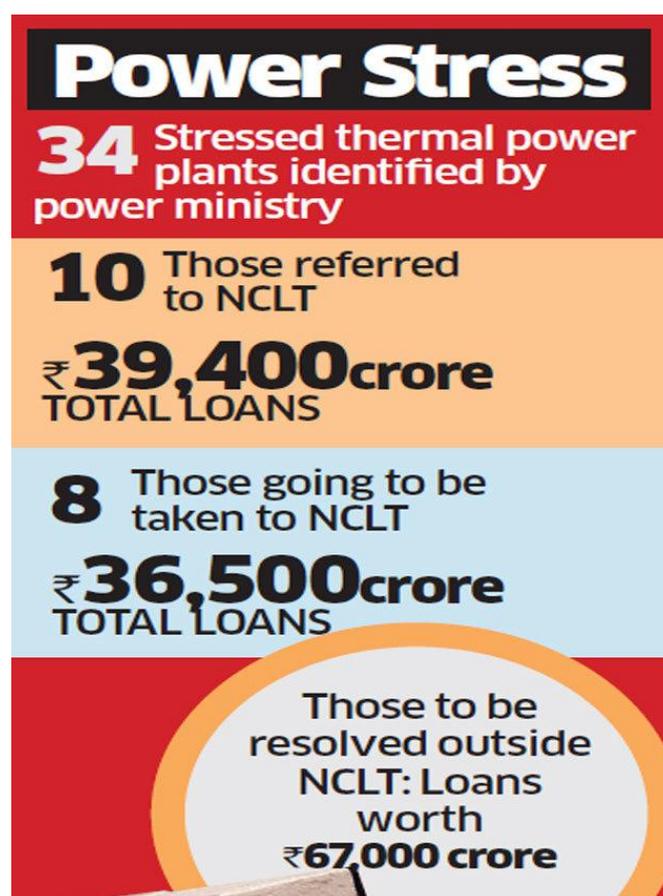
"The extent of power sector stress at the systemic level is well known. But the concern lies in the dearth of possible solutions to resolve these stressed assets. This, coupled with the urgency of lenders to find bidders, will lead to low realisation value and high haircuts for banks," it said.

The brokerage classified 34 stressed thermal power plants identified by the ministry of power based on non-availability of fuel supply agreements, absence of long-term PPAs (power purchase agreements), cost overrun, contractual disputes and weak financial strength of distribution companies (DISCOMs).

Of these 34 stressed plants, it estimates that around 10 (total loans of Rs 39,400 crore) have already been referred to NCLT, and another eight (loans of Rs 36,500 crore) are set to be taken to NCLT.

There are some other power sector assets which are expected to be resolved outside the NCLT, totalling loans of Rs 67,000 crore while seven assets with total loans of Rs 33,500 crore.

“Of the 34 stressed thermal power assets identified by the ministry, 20 have PPAs (have been) signed for less than 50% of their capacity. A pilot scheme to secure 2.5 GW of PPA in 2018 for stressed assets received a tepid response (takers were for only 1.9GW) because of restrictive pricing clauses. At present, coal linkages are only allowed for long- and mediumterm PPAs. Thus, most of the power plants don’t have adequate fuel supply arrangements, leaving them with no alternative than to go for costly e-auction,” Jefferies said.



Demand revival in the steel sector has led to an improvement in recovery for companies from the sector. However, the long-standing issues in the power sector make the chances of recovery dim. Also, though banks have mostly recognised their losses on loans to this sector, the lack of any recovery in sight means credit costs will remain elevated, Jefferies said.

# 'High NPAs due to failed BJP policies': Congress

[SPECIAL CORRESPONDENT](#)

NEW DELHI, SEPTEMBER 02, 2018

THE HINDU

## ***People unable to pay back loans: Cong.***

Countering Prime Minister Narendra Modi's attack on the previous UPA regime over the issue of spiralling non-performing assets, the Congress on Saturday said the allegation was misplaced, and entrepreneurs were now unable to pay back loans in the economic situation created by misadventures such as demonetisation and the hasty implementation of the Goods and Services Tax.

Mr. Modi has accused the Congress of leaving the economy on a landmine, and said that none of the 12 biggest defaulters, who between them account for over Rs.1.75 lakh crore of NPAs, were given loans by the present government.

Spiralling NPA figures clearly point to the failure of the economic policies of the Modi government, the Congress said.

## **Derailed economy**

"How can you pass on the blame to us for someone who was paying back the loan during our tenure, but is not able to do so under your regime? There is no industrial growth, exports are on an all-time low, the manufacturing sector has slowed down overall after you derailed the economy with blunders such as demonetisation," party spokesperson Gourav Vallabh said.

Quoting RBI figures, the Congress said the NPAs in 2013-14 was worth only Rs.2.5 lakh crore and it now stood at Rs.11.5 lakh crore.

The party hit out at the government over the latest GDP figures, accusing it of juggling the numbers around to paint a rosy picture.

"It is good that the GDP growth in the first quarter of 2018-19 is 8.2%. But the hidden reason is the base effect — the first quarter growth rate is based on the lowest base (5.6) in the last eight quarters. In the next few

quarters, the base effect will not be so favourable. And when we reach the third and the fourth quarter, the rate of growth may decline and the annual growth rate may be more or less like last year's," Mr. Vallabh said. "The only 'GDP' that is on rise is the – gas, diesel and petrol prices," he added.

## **UPA Era Phone Banking System Damaged Economy as Banks Lent Crores in Just One Call, Says PM Modi**

***None of the 12 biggest defaulters, who between them account for over Rs 1.75 lakh crore of NPAs, were given loan by the present government, Modi said at the launch of payments bank of the Indian postal department***

[News18.com](http://News18.com) | September 2, 2018



New Delhi: Putting the blame on the previous Congress-led government for the current NPA burden his government faces, Prime Minister Narendra Modi on Saturday launched a scathing attack on the opposition party saying they allowed banks to give out loans worth crores just on the basis of one phone call.

PM Modi said the Congress has left the economy on a 'landmine' by the indiscriminate lending it practiced, particularly in favour of selected businessmen who are close to 'naamdars' or dynasts.

He termed UPA's loaning system as the 'phone-a-loan' scam, saying under this, money was lent by banks to select rich businessmen close to a particular family for mounting non-performing assets (NPA) or bad loans but vowed to recover every penny from defaulters.

None of the twelve biggest defaulters, who between them account for over Rs 1.75 lakh crore of NPAs, were given loan by the present NDA

government, Modi said at the launch of payments bank of the Indian postal department.

He said while the previous UPA government hid the bad loans, his government has properly recognised them and brought tough laws to deal with defaults and recovery money. The Prime Minister said the country was cheated when the last government put such loan amount at Rs 2-2.5 lakh crore when it actually was Rs 9 lakh crore.

This comes days after Congress President Rahul Gandhi's attack on the government for NPAs jumping to Rs 12.5 lakh crore under the BJP rule from Rs 2.5 lakh crore under the previous UPA regime.

Modi said when his government came to power in 2014 it noticed that public-sector banks had been plundered. Loans of banks jumped to Rs 52 lakh crore from 2008 to 2014 from just Rs 18 lakh crore in the previous six decades.

Loans were given without any due diligence and keeping aside all rules and norms, Modi said, adding defaulters were given further funds in the name of loan restructuring.

"How were these loans given? One phone call from the namdaars would get the rich loans," he said alleging a 'phone-a-loan' scam under the UPA government.

"This phone banking of Congress and its namdaars caused a lot of damage to the country," he said, adding banks obliged namdaars because top executives were appointed by the same namdaars. "Despite knowing that the loans would not be returned, banks lent money."

And when these borrowers started defaulting, pressure was mounted on banks to give more time and then restructure these loans by giving more funds.

"In 2014, after our government was formed we realised that the Congress and namdaars had put India's economy on a landmine," he said.

The economy would have been damaged by the explosion of that landmine but the government worked not just to detect the ailment but also took steps to uproot the disease, he said.

Modi said his government has "defused" the landmine placed by the government of namdaars and its results have been witnessed in the 8.2 per cent GDP growth clocked in the first quarter of the current fiscal.

"This growth is proof of growing strength of the Indian economy and that the country is moving in the right direction," he said. "Today the country is not just the fastest growing economy in the world but also the one that is eradicating poverty at the fastest rate."

"I again want to assure that all the bank money which was stuck because of namdars, each and every rupee of that, we will recover. It will be used for the poor," he said.

Listing out the steps taken, he said every loan of over Rs 50 crore has been reviewed and it is being ensured that the rules are followed and recoveries made. The merger of banks has been proposed, professionalism was brought in banks, insolvency and bankruptcy code came and a law to deal with fugitive defaults introduced.

Modi said swift action to recover loans from the top 12 defaulters as well as another 27 who owe Rs 1 lakh crore is being taken. "We will ensure that every penny is recovered," he said.

"I want to again assure the country that of all these big loans, not even a single loan has been given by this government," he said.

Modi said Jan Dhan gave bank accounts to the unbanked and now the India Post Payments Bank is taking the bank to their doorstep.

The postman, besides carrying mail, will also carry the bank to the doorsteps of poor and rural people, he said.

With its unmatched network of 1.5 lakh post offices and over three lakh postmen and gramin dak sevaks, IPPB will initially in 650 districts allow savings as well as current accounts to be opened at doorstep, allow fund

transfer and payment of utility bills. Also, loan and insurance will be provided in association with other banks and financial institutions.

## **Modi promises recovery of bad loans at India Post Payments Bank launch**

***India Post Payments Bank to offer doorstep banking, drive financial inclusion***

Sep 01 2018 | [Komal Gupta](#)



New Delhi:Prime Minister Narendra Modi today said loan defaulters will not be spared and the government was working speedily towards recovery of bad loans. Modi was speaking at the launch of the India Post Payments Bank (IPPB), which aims to bridge the last-mile gap in banking services.

“Every penny of loans given at the behest of ‘namdars’ will be recovered. Not a single big loan defaulter was given loan by the NDA government...When we came to power in 2014, this started getting exposed. Then we asked banks to do a correct assessment of how much amount was stuck due to such loans,” Modi said. Phone banking by Congress had hurt economy, banks lent crores of rupees to businessmen on just one call, he added.

With the launch of the IPPB, postmen will act as bankers for the rural population, long deprived of banking facilities. The Prime Minister also stressed on the steps taken by the government, including setting up of the bankruptcy board and the National Company Law Tribunal (NCLT) to crack down on shell companies and tackle rising non-performing assets.

With today’s launch, 650 branches and 3,250 access points of the India Post Payments Bank have gone live. IPPB will deploy around 300,000 postmen and ‘gramin dak sewaks’ carrying mobile phones and biometric devices to offer doorstep banking to customers, mainly in rural areas. By

December, all 155,000 post offices in the country are likely to be linked to the IPPB system. This will also step up the number of rural bank branches in India significantly.

“For the launch, more than 800,000 man hours have gone into training 15,000 people, out of which 11,000 will be providing banking services at the doorstep. By the end of the year, all 300,000 people will be up and running,” IPPB Managing Director and Chief Executive Officer Suresh Sethi said in an interview earlier.

IPPB has been incorporated as a public sector company under the Department of Posts with 100% government equity and is governed by the Reserve Bank of India.

IPPB will offer a range of products such as savings and current accounts, money transfer, direct benefit transfer, bill and utility payments and enterprise and merchant payments. Customers will be able to access these products and related services across various channels — counter services, micro-ATM, mobile banking app, text messages and phone calls.

The bank will offer quick response (QR) cards to customers as an additional service, along with mobile banking, phone banking and SMS banking. The QR card will have the customer’s account number embedded and the customer does not have to remember his/her account number to access the account, according to Sethi.

IPPB has also partnered with different financial organisations to provide loans, investments and insurance products.

On Wednesday, the government decided to raise the outlay for bank by about 80% to Rs 1,435 crore from the current Rs 800 crore. The increase is meant to cover costs relating to technology and manpower, according to a government statement.

A payments bank is a differentiated bank providing a limited range of products, such as acceptance of demand deposits and remittance of funds. It can accept deposits up to Rs 1 lakh per customer

# Banking sector NPAs have peaked, says Canara HSBC OBC Life CIO

*Jain added that incremental bad loans into the banking sector will be fewer than earlier*

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Private life insurance company Canara HSBC OBC Life Insurance expects an improvement in the non-performing assets (NPA) situation in the banking sector and believes the worst is over. In an interaction with Moneycontrol, Anurag Jain, Chief Investment Officer, Canara HSBC OBC Life Insurance talked about the investment strategy.

## **Excerpts:**

**Q: After the Reserve Bank of India (RBI) raised repo rates in August, do you expect a prolonged pause?**

A: Crude continues to move up, rupee continues to depreciate and commodity prices are also high. While RBI has hiked rates, they have actually been following the curve.

But the market rates have moved higher than the RBI rates. If there is a sharp increase in inflation, it is likely that they will increase rates.

While a lot of it has happened, in a regular interest rate cycle rates do not move so sharply. So, there will be a pause for a while. But it is likely that RBI may do another rate hike in this financial year since core inflation continues to remain high.

**Q: Do you see a revival in the corporate bond market?**

A: Right now because of rates moving up, we aren't seeing too many issuances in the corporate bond market. It has significantly dried up and I believe that good issues will take time to hit the market.

**Q: Are you open to Infrastructure Investment Trusts (InvITs) as a new investment instrument?**

A: We are not too positive on InvITS because there aren't too many good issues on offer. We want assets that can feed us for a longer duration. We are waiting for better issues.

Meanwhile, we have Alternative Investment Funds (AIFs). The only challenge is the RBI only allows 3 percent spread across five AIFs and it is not adequate.

**Q: In the equity market, do you view banks as an attractive opportunity?**

A: Banks are highly leveraged institutions. Considering the segment they operate in, they will be more volatile. We look to invest in much more stable banks like retail banks and private sector banks which have a healthy balance sheet.

But if you look at the market as a whole, the earnings growth is very patchy in the market. If you look at the region, India is slightly expensive than the others and there is a chance that the foreign institutional investors could re-allocate to other markets.

**Q: But aren't the high non-performing assets (NPAs) in the sector a cause of concern?**

A: NPAs have peaked out and new formation of NPAs are much lower than earlier. The first quarter results also reflected the fact that the gross NPAs of banks have come down.

While provisions will remain elevated, gross NPAs will come down and net NPAs will come down faster. Also, if we see more resolutions under the Insolvency and Bankruptcy Code (IBC), there could be some write-backs happening and some NPAs will move to the standard asset category.

Following this, the credit cost will normalise. Worst is clearly behind in terms of new bad asset formation. In due course, operating profit will go up and provisions will slowly come down. We are seeing some uptick in

credit growth as well. This will pave the way for good earnings growth for the large corporate banks over the next few years.

## **Demonetisation report will be tabled: Moily**

[Sobhana K. Nair](#) NEW DELHI , SEPTEMBER 01, 2018

THE  HINDU

***Parliamentary panel on finance will meet next month to discuss fresh data released by the RBI***

M. Veerappa Moily, Chairperson of the Parliamentary Committee on Finance, has said that he had not yet given up on the report on demonetisation, and he would work to build a consensus to table it by the winter session.

“We will have a meeting next month to discuss fresh evidence released by the RBI on the number of currency notes that have returned after demonetisation. I have not yet given up on the report,” he told ***The Hindu***.

Mr. Moily has headed the committee for the past four years. “The committee has an exemplary record. Since it was constituted, we have delivered 69 reports, all by consensus, even when the BJP is in a majority with 12 members,” he said.

The report on demonetisation has been held up by protests by the BJP members, led by Jharkhand MP Nishikant Dubey.

The members have not submitted any dissent note. The draft was circulated last year; since then, no meeting has been held to finalise it. The Chairman, according to sources, did not call a meeting on the subject, sensing the mood of the BJP members.

“I will give the BJP members another opportunity to go through the draft. I do not want to break the tradition that we have had for the last four years of bringing out reports with consensus,” he said.

The committee's term ended on August 31, but the Congress is hopeful that it will retain the chairmanship. The Lok Sabha Secretariat, however, is not duty-bound to have Mr. Moily as in-charge.

### **Trinamool MP's letter**

The BJP MPs are not alone in their protest. Trinamool Congress MP Dinesh Trivedi wrote to Mr. Moily, demanding that he give reasons for holding back the report. In his letter, Mr. Trivedi said now that even the Reserve Bank of India has made its data public, why should the Committee keep its report under wraps.

The RBI said on Wednesday that 99.3% of the demonetised currency notes, or Rs.15.31 lakh crore of the Rs.15.41 lakh crore withdrawn, had been returned. According to sources, Mr. Trivedi further argued that democracy was not always about consensus, and a difference of opinion was healthy.

If some members did not agree with the report, the Chairman should include their dissent note in the report and finalise it.

It was the Chairman's duty to table all the evidence the committee has collected, including from the RBI Governor and senior officials of the Finance Ministry.

The committee has worked on the report for two years.

The RBI Governor has deposed twice before it, and senior officials of the Finance Ministry, including the Finance Secretary, have met the committee.

## **EMIs to pinch harder as lending rates rise**

[Special Correspondent](#) MUMBAI, SEPTEMBER 01, 2018

**THE HINDU**

***SBI, ICICI Bank to hike rates***

Equated Monthly Instalments (EMIs) on home and auto loans will pinch more with two leading lenders, State Bank of India (SBI) and ICICI Bank, deciding to increase their lending rates from Saturday.

The SBI — the country's largest lender — increased the marginal cost of funds based lending rate (MCLR) by 20 basis points (bps) across all loan tenures. The MCLR is the benchmark lending rate to which all loan rates are linked (100 bps = 1 percentage point).

As a result, the one-year MCLR of SBI, to which most of the retail loans are linked, will be 8.45% with effect from September 1.

ICICI Bank also increased its MCLR by 15-25 bps across various loan tenures. As a result, the one-year MCLR of the bank will be 8.55%, a rise of 15 bps.

## **What is current account deficit, and why does it matter?**

[Manojit Saha](#)

SEPTEMBER 01, 2018

THE  HINDU

### **What is it?**

The current account measures the flow of goods, services and investments into and out of the country. We run into a deficit if the value of the goods and services we import exceeds the value of those we export. The current account includes net income, including interest and dividends, and transfers, like foreign aid.

### **Where do we stand?**

India's current account deficit (CAD) is pegged at \$13 billion or 1.9% of the GDP in Q4 of 2017-18, which increased from \$2.6 billion or 0.4% of the GDP in Q4 of 2016-17. However, the CAD moderated marginally from \$13.7 billion (2.1% of GDP) in the preceding quarter.

For the quarter, the Reserve Bank of India attributed the widening of the CAD to a higher trade deficit (\$41.6 billion) brought about by a larger

increase in merchandise imports related to exports. For the full financial year, the CAD increased to 1.9% of the GDP in 2017-18 from 0.6% in 2016-17 on the back of a widening of the trade deficit. India's trade deficit increased to \$160 billion in 2017-18 from \$112.4 billion in 2016-17.

The central bank wants to see the current account gap within 2.5% of the GDP, which is seen as crucial for currency stability. For example, the CAD touched a high of 4.8% of the GDP in 2012-13 on rising gold and oil imports, which also impacted the rupee that depreciated rapidly. High current account deficit forced the government to impose import restrictions on non-essential items like gold.

### **Why does it matter?**

As the rupee is under pressure — it hit the 71-mark against the dollar on Friday — and oil prices are inching up, it will impact the current account. While the present depreciation is mainly due to external factors with the dollar strengthening against all emerging market currencies, the rising trade deficit is adding to the worry about the currency. The rupee is the worst performing currency among the emerging market economies in Asia, and depreciated over 9% against the dollar in the current financial year. The central bank is also not seen intervening aggressively, according to currency dealers. As a result, the rupee, in a short span of time, travelled from the mid-68 levels to 71 a dollar. The foreign exchange reserves, also seen as an important factor for currency stability, have depleted by \$26 billion since April, due to sporadic interventions by the central bank to control the pace of fall in the currency.

### **What lies ahead?**

The July trade deficit numbers have had an impact on the currency. According to data released by the government, a sharp surge in imports led to worsening of the trade deficit to \$18.02 billion against a deficit of \$11.45 billion during July 2017. Imports during July were \$43.79 billion, representing a growth of 28.81%, compared to \$33.99 billion a year ago.

The government attributed the increase to a sharp increase in crude oil prices — global Brent crude prices increased 53.16% in July, compared to the same period the previous year. The oil import bill, which saw a 57% increase, and a 41% jump in gold imports to \$2.96 billion in July are seen as the main reasons for the high trade deficit.

Since a higher trade deficit will widen the current account deficit, the rupee could be under pressure from domestic factors also, economists have said. A huge current account gap could make the rupee depreciate further in the absence of meaningful intervention from the central bank.

## **71% surge in ITRs filed till August**

[PTI](#)

NEW DELHI, SEPTEMBER 02, 2018

**THE HINDU**

### ***Many filed under presumptive scheme***

The total number of income tax returns (ITRs) e-filed up to August 31, 2018, was 5.42 crore as against 3.17 crore up to August 31, 2017, marking an increase of 70.86%.

Almost 34.95 lakh returns were e-filed on August 31, 2018.

A remarkable increase was seen in the number of ITRs filed by salaried individuals, and also those availing the benefit of the Presumptive Taxation Scheme, the Finance Ministry said in a statement.

The total number of e-returns of salaried individual taxpayers filed till August 31 increased to 3.37 crore from the 2.19 crore returns filed during the corresponding period in 2017, registering a growth of almost 54%.

As many as 1.17 crore ITRs were e-filed by persons availing the benefit of Presumptive Tax, compared to 14.93 lakh returns filed up to August, 2017, registering a massive eight-fold jump.

### **Steadily moving**

This is indicative of an India moving steadily towards a more tax compliant society, and reflects the impact of continuous leveraging of technology to improve taxpayer service delivery, the statement said.

Finance Minister Arun Jaitley had in Budget 2018-19 flagged the tax mop-up from entities under the Presumptive Taxation Scheme.

Under this scheme, 41% more returns were filed during this year, which shows that many more persons are joining the tax net under the simplified scheme. However, the turnover shown is still not encouraging, he had said.

The government had liberalised the presumptive income scheme for small traders and entrepreneurs with annual turnover of less than Rs.2 crore and introduced a similar scheme for professionals with annual turnover of less than Rs. 50 lakh, with the hope that there would be significant increase in compliance.

The I-T Department had received 44.72 lakh returns for assessment year 2017-18.

## **Indian economy records 8.2% growth in first quarter of 2018-19**

[PTI](#)

NEW DELHI, AUGUST 31, 2018

**THE HINDU**

***The growth cemented India's position as the fastest growing major economy, clocking higher expansion rate than China's 6.7 in the same quarter***

The Indian economy grew at a 15-quarter high of 8.2% in the April-June quarter of current fiscal on good show by manufacturing and farm sectors, according to government data released on Friday.

The growth cemented India's position as the fastest growing major economy, clocking higher expansion rate than China's 6.7 in the same quarter.

The gross domestic product (GDP) at constant (2011-12) prices in the first quarter of 2018-19 is estimated at Rs.33.74 lakh crore, against Rs.31.18 lakh crore in Q1 of 2017-18, showing a growth rate of 8.2%, a Central Statistics Office statement said.

The quarterly GVA (Gross Value Added) at basic price at constant (2011-2012) prices for Q1 of 2018-19 is estimated at Rs.31.63 lakh crore,

against Rs.29.29 lakh crore in Q1 of 2017-18, showing a growth rate of 8% over the year-ago period, it said.

The previous high quarterly GDP growth was recorded in July-September period in 2014-15 at 8.4%.

As per the data, the quarterly GVA at basic prices for Q1 2018-19 from the 'manufacturing' sector grew by 13.5%, compared to contraction of 1.8% in Q1 2017-18.

The Quarterly GVA at basic prices for Q1 2018-19 from 'agriculture, forestry and fishing' sector grew by 5.3% as compared to growth of 3% in Q1 2017-18.

## **Demonetisation led to more tax compliance: Jaitley**

**SPECIAL CORRESPONDENT**  
NEW DELHI, AUGUST 31, 2018  
**THE HINDU**

### ***Finance Minister refutes Cong. criticism it was a failure***

Finance Minister Arun Jaitley on Thursday said demonetisation had led to formalisation of the economy and made India a more tax-compliant society.

He was responding to the Congress's attack over the note ban.

Mr. Jaitley, in a blog post, said: "A widely stated comment has been that just because most of the currency came back into the banks, the object of demonetisation has not succeeded."

"Was the invalidation of the non-deposited currency the only object of demonetisation? Certainly not," he said.

The larger purpose was to move India from being a tax non-compliant society to a tax-compliant society, Mr. Jaitley said.

"This is the positive impact of demonetisation. More formalisation of economy, more money in the system, higher tax revenue, higher expenditure, higher growth after the first two quarters," he said.

He tweeted strong rebuttals to Congress president Rahul Gandhi's statement at a press meet that demonetisation had only benefited crony capitalists.

He also referred to Mr. Gandhi's attacks on the Rafale deal.

"Any issue diversion by Rahul Gandhi on my Rafale questions (issued via a blog on Wednesday) will not wipe out his falsehood on Rafale. Rahul Gandhi has not read my question: the fully weaponised Rafale aircraft's 2016 price is 20% cheaper than the 2007 offer. This is what the 2015 statement of the PM and the French President (Francois Hollande) refers to as on 'terms better than the 2007 offers,'" he said.

## **Modi launches India Postal Bank with a message to loan defaulters**

***IPPB to offer doorstep banking, drive financial inclusion***

[S RONENDRA SINGH](#) | NEW DELHI, SEPT 1

THE HINDU  
**BusinessLine**

Giving a political twist while launching the India Post Payments Bank (IPPB) on Saturday, the Prime Minister Narendra Modi said that not a single big loan defaulter was given loan by the NDA government and all were before 2014, with support of 'one family'.

"Four-five years back, majority of funds with banks was reserved only for those close to one family. Our own government brought the truth of the NPA, the scam of the previous government in front of the country. We not only detected the disease, but also searched for the cause and took several important steps to repair the disease," Modi said.

In the last four years, all the loans above Rs. 50 crore have been reviewed and it is being ensured that the conditions of the loan are strictly followed, he said. "We changed the law, decided to merge the banks and promotion of professional approach in the banking sector," he said.

While highlighting the medals tally in the Asian Games with best of the performances this year, Modi also highlighted the growth of GDP at 8.2 per cent for the first quarter this year, which shows the growing power of India's economy. "This brings forth the bright picture of a new India," he said.

Praising the Telecom Minister Manoj Sinha on the successful launch of IPPB and how Sinha's background of IIT (BHU) brought a lot of technology into IPPB, Modi said that IPPB is going to make a big difference in the country's economy, in social order.

"Our government has sent lakhs of poor families to the bank for the first time through 'Jandhan Yojana' and today's work has been started to bring the bank to the door of the village and the poor," he said.

The Indian Postal Department has 1.5 lakh post offices and more than three-lakh postmen are related to the people of the country, and the government is taking the initiative to create the most powerful system of service in the 21st century by connecting such a comprehensive network with technology, he said.

Modi added that apart from savings bank account and insurance, the IPPB will also provide current accounts for small time traders and merchants, especially in the rural areas who survive on such work.

"Under the RBI rule, the balance in any IPPB account can not be more than Rs.1 lakh, but the customer can transfer the money automatically from the IPPB account to the Post Office Savings Bank Account according to the requirement," Telecom Minister Manoj Sinha said.

The biggest thing is that all these facilities will be made available to the citizens of the country, wherever they are, or from any class, with the three-lakh postmen at their doorstep. That is why the bank has slogan "Aapka Bank Aapke Dwaar" (Your bank at your door), he added.

The IPPB will be available through 650 branches and 3,250 access points as of now. The government owns 100 per cent in IPPB, which has been set up under the aegis of the Department of Posts, and will offer products

and services through multiple channels such as counter services, micro ATMs, mobile banking app, messages and interactive voice response.

It will also use Aadhaar to open accounts, while a QR card and biometrics will drive authentication, transactions, and payments. Grameen Dak Sewaks will be armed with smartphones and biometric devices to handle transactions.

It will offer 4 per cent interest rate on savings accounts. IPPB has teamed up with financial services providers like PNB and Bajaj Allianz Life Insurance for third-party products like loans and insurance.

The Cabinet, earlier this week, approved an 80 per cent hike in spending on IPPB to Rs 1,435 crore – for human resource and technology costs -- so that it can compete with existing operators like Airtel Payments Bank and Paytm Payments Bank.

## **GST Collection dipped to 93,960 crore**

[SHISHIR SINHA](#) | NEW DELHI, SEPTEMBER 1  
THE HINDU  
**BusinessLine**

Rate reduction in over 19 product categories dented the Goods and Services Tax (GST) collection which reached Rs 93,960 crore in the month of August which is lowest in the current fiscal i.e. 2018-19.

According to a Finance Ministry Statement, one of the main factors for the dip in tax revenues is probable postponement of sale of items for which tax rate was reduced by the Council as the decision to reduce the tax rate was taken in meeting held on July 21 while the notification of the reduced rate came into effect only from July 27. It was decided to lower tax for over 80 products including smaller TV, fridge, washing machine, handloom & handicraft products, in 19 product categories.

“Since it would have taken some time for the market to pass on the benefit of reduced taxes, consumers would have postponed their decision to buy expecting the benefit. The actual impact of reduction of rate of taxes would be observed only from next month onwards as the rate reduction would have got affected only in last few days of the month,” the statement said.

It also mentioned that even past trend of indirect tax collection shows that while July collections are 8.2 per cent of the total annual collections, August collections are at a lower level of 7.7 per cent of the total annual collections. This is another reason for lower collections during the month of August as compared to that in July. The Government aims to collect Rs 1 to 1.10 lakh crore every month, however, revenue collection trend during last four months has been below Rs 1 lakh crore.

The total gross GST revenue collected in the month of August, 2018 is Rs. 93,960 crore of which CGST is Rs. 15,303 crore, SGST is Rs. 21,154 crore, IGST is Rs. 49,876 crore (including Rs. 26,512 crore collected on imports) and Cess is Rs. 7,628 crore (including Rs. 849 crore collected on imports). Number of return filers has gone up to 67 lakhs as against 66 lakh during previous months. The last date of filing return of July, 2018 in the State of Kerala was extended upto 5th October, 2018.

The total revenue earned by Central Government and the State Governments after settlement including provisional settlement of Rs. 12,000 crore in the month of August, 2018 is Rs. 36,963 crore for CGST and Rs. 41,136 crore for the SGST.

. However, these banks cannot issue loans and credit cards. Other payments banks that have started operations are Airtel Payments Bank Ltd, Paytm Payments Bank Ltd and Fino Payments Bank Ltd.

<b>EVERDAY IS AIBEA DAY</b>		<b>AIBEA THIS DAY – 6 SEPTEMBER</b>
<b>1993</b>	<b>AIBEA/AIBOA decide on strike Action to clinch Pension Demand etc.,</b>	
<b>1997</b>	<b>All India Vysya Bank Employees' Union donates school building at Amalapuram. Inaugurated by Com. Tarakeswar Chakraborti.</b>	
<b>2002</b>	<b>Strike call by State Bank of Patiala Employees Federation against violation of settlement, recruitment, &amp; allied demands</b>	
<b>2006</b>	<b>Indefinite Strike starts in Lord Krishna Bank against merger with Centurion Bank of Punjab</b>	

## **ALL INDIA BANK EMPLOYEES' ASSOCIATION**



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