

Low credit offtake likely to worsen economic slowdown, says Ind-Ra

Bank amalgamation will take focus away from credit growth in the near term

OUR BUREAU
Mumbai, December 31
The banking system's lacklustre credit growth has more to do with the lack of credit demand rather than credit availability, according to India Ratings and Research (Ind-Ra). The weak credit offtake is likely to exacerbate the current slowdown in terms of intensity and recovery time, it added.

In this regard, the credit agency underscored that corporate credit offtake from banks will remain limited at least in the near term, considering the subdued demand.

Risk averseness
"The muted demand for loan is largely explained by the absence of capital expenditure (capex). Second, with the in-

creasing risk averseness in the system, credit is made available to borrowers with strong credit metrics and also at a reasonable price. However, the need for credit by those entities is relatively less, either because of their strong balance sheet or other alternative sources (External Commercial Borrowing, Foreign Currency Convertible Bonds or domestic bond market)," said Jinesh Rajpara, analyst, in the research report.

The agency believes that unlike in the past, the banking system is well-capitalised with both private and public sector banks ready to push credit growth.

Specifically on the public banks' side, while capital availability is no longer a challenge, the ongoing amal-

gamation will keep the focus of the banks involved away from credit growth in the near term.

"On an overall basis, a weak economic sentiment resulting in lack of new project announcements, along with the sharp slowdown seen in the non-banking finance company (NBFC) sector resulting from the ongoing challenges on liquidity, are likely to keep the credit growth expectations muted for the banking sector in the near term," the report said.

Non-food credit growth
Overall non-food credit growth for scheduled commercial banks remained weak in October 2019 at 8.3 per cent year-on-year (y-o-y), down sharply from 13.4 per cent y-o-y in October 2018, and marginally up from 8.1 per cent y-o-y in September 2019. At a more granular level,

Weak economic sentiment, along with the sharp slowdown seen in the NBFC sector, will keep credit growth expectations muted for the banking sector

growth in the retail segment remained strong at 17.2 per cent y-o-y (September 2019: 16.6 per cent y-o-y; October 2018: 16.8 per cent y-o-y).

Further, growth in retail loans contributed nearly 53 per cent to the incremental growth in scheduled commercial banks' credit during October 2019, the agency said.

Annual credit growth in the agriculture and industry sectors remained largely stable at 7.1 per cent and 3.4 per cent, respectively, during the month.

However, the weakness in credit growth has intensified

in the services segment at 6.5 per cent in October 2019 from 27.4 per cent in October 2018.

Funding slowdown
On a sub-sector basis within the services segment, the agency found that funding to key contributing sectors such as non-banking finance companies (NBFCs) and other services had seen a sharp slowdown in October 2019 when compared to October 2018.

Ind-Ra assessed that NBFCs that contribute about 30 per cent to the services segment saw a credit growth slowdown at 26.8 per cent in October 2019 from 55.6 per cent in October 2018.

Other services segment, with a contribution of about 23 per cent to the services segment, saw a credit growth slowdown at 12.7 per cent y-o-y in October 2019 from 35.6 per cent y-o-y growth in October 2018.

RBI directs UCBs having deposits above ₹100 cr to set up Board of Management

OUR BUREAU
Mumbai, December 31
To facilitate professional management and focussed attention to their banking-related activities, the Reserve Bank of India (RBI), on Tuesday, directed Urban Co-operative Banks (UCBs) with deposit size of ₹100 crore and above to constitute a Board of Management (BoM).

In its guidelines on constituting BoM in UCBs (other than Salary Earners' Banks), the central bank said it will be mandatory for such banks to constitute BoM for seeking approval to expand their area of operation and/or open new branches. These UCBs will also require prior approval of the RBI for appointment of their CEOs.

UCBs with a deposit size less than ₹100 crore and Salary Earners' Banks, however, are exempted from constituting BoM, although they are encouraged to do so voluntarily. The BoM will have minimum five members and maximum 12. The CEO would be a non-voting member. A member of BoM can be appointed in more than one

bank, subject to a maximum of three, provided that there is no overlapping in area of operation. The members of BoM should at all times satisfy the 'Fit and Proper' criteria.

As per the guidelines, the RBI has the powers to remove any member of BoM and/or the CEO if the person is found to be not meeting the criteria prescribed by it or acting in a manner detrimental to the interests of the bank or its depositors or both. The RBI also has powers to supersede the BoM if the functioning of BoM is found unsatisfactory.

To report to BoD
The BoM will report to the Board of Directors (BoD) and exercise oversight over the banking-related functions of the UCBs, assist the BoD on formulation of policies, and any other related matter specifically delegated to it by the BoD.

The functions of the BoM will include rendering expert advice on proposals being put up to the board or any committee of the board for sanction of

loans; recommending action for recovery of bad loans, one-time settlement or compromise settlement and assisting the board in monitoring the same; overseeing the management of funds and borrowings; and recommending proposals for investment of bank's funds as per the board approved policy.

The BoM will also have oversight on internal controls and systems and risk management; exercise oversight on implementation of computerisation, technology adoption and other incidental issues; oversee internal audit and inspection functions, including compliance; exercise oversight on complaint redressal system; and assist the board in formulation of policies related to banking.

All members of the BoM will consist of persons having special knowledge or practical experience in respect of one or more areas, such as accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small scale industry, and IT.

CAD narrows sharply to 0.9% of GDP in Q2

OUR BUREAU
Mumbai, December 31
India's Current Account Deficit (CAD) narrowed sharply to 0.9 per cent of GDP in the July-September (Q2) of FY2019-20 from 2.9 per cent in the year-ago period and 2 per cent in the preceding quarter. This contraction in CAD was primarily on account of lower trade deficit.

CAD occurs when the value of goods and services imported exceeds the value of exports. A large CAD can cause the domestic currency to depreciate.

In absolute terms, the CAD in the reporting quarter (Q2)

came down to \$6.3 billion from \$19 billion in the year-ago quarter and \$14.2 billion in the preceding (April-June 2019) quarter. Trade deficit in the reporting quarter was lower at \$38.1 billion when compared to \$50 billion a year ago. Net services receipts increased by 0.9 per cent on a year-on-year (y-o-y) basis on the back of a rise in net earnings from computer, travel and financial services, the RBI said.

Private transfer receipts, mainly representing remittances by Indians employed overseas, rose to \$21.9 billion, increasing by 5.2 per cent from their level a year ago.

Axis Bank appoints Chief Risk Officer

PRESS TRUST OF INDIA
New Delhi, December 31
Axis Bank, on Tuesday, appointed Amit Talgeri as the Chief Risk Officer (CRO) of the bank for three years from January 1. "Cyril Anand, the incumbent CRO, will retire from the services of the bank, with effect from close of business hours of December 31," Axis Bank said in a statement.

Additionally, Naveen Tahilyani has been appointed Group Executive, Head Banking Operations and Transformation, with effect from January 6. Both Tahilyani and Talgeri will report to Managing Director and CEO, Amitabh Chaudhry.

FINANCIAL STABILITY REPORT

'Low fund demand by cash-rich firms can hit investment cycle'

OUR BUREAU
Mumbai, December 31
Corporates in the large segment are liquidity-rich and, thus, could have limited liquidity requirements, according to the Reserve Bank of India's latest Financial Stability Report (FSR).

The report cautioned that this has implications for reviving the investment cycle, given their significant share in wholesale credit.

The RBI made the assessment after comparing the characteristics of the balance sheets of two categories of corporates - very large (aggregate debt above ₹5,000 crore) and large (aggregate debt between

₹100 crore and ₹5,000 crore). In terms of the financial leverage metric, large corporates have steadily deleveraged. With regard to corporates' balance sheet liquidity in both these cohorts, clearly large corporates were liquidity-rich, with cash and marketable securities exceeding 40 per cent of on-balance sheet debt in each of the last four years, the report noted.

Credit growth in wholesale accounts (aggregate exposure of ₹5 crore and above) in the past two years was dominated by very large accounts (aggregate exposure above ₹5,000 crore), the report said. The share of very large



credit (greater than or equal to ₹5,000 crore) in scheduled commercial banks (SCBs) wholesale portfolio moved up from 30.7 per cent in March 2017 to 33.3 per cent in March 2018 to 38.7 per cent in March 2019.

The share of large credit (₹100 crore to ₹5,000 crore) declined from 48.8 per cent in March 2017 to 46.2 per cent in

March 2018 to 42 per cent in March 2019. The share of medium credit (₹25 crore to ₹100 crore) moved down from 9.8 per cent in March 2017 to 9.7 per cent in March 2018 to 8.9 per cent in March 2019.

The share of small credit (₹5 crore to ₹25 crore) moved up from 10.7 per cent in March 2017 to 10.9 per cent in March 2018, but declined to 10.4 per cent in March 2019.

Financial firms dominate
A broad split between financial and non-financial firms shows that credit growth in 2018-19 was dominated by financial firms (non-banking financial companies). The disag-

gregated credit growth of very large borrowers in the financial sector jumped 47.5 per cent year-on-year (y-o-y) in March 2019 against 22.4 per cent in March 2018.

Within the very large financial firms category, credit growth for public sector undertakings (PSUs) soared 92.9 per cent y-o-y in March 2019 against 45.6 per cent in March 2018. Credit growth for the private sector rose 39.5 per cent y-o-y against 19.1 per cent.

The disaggregated credit growth of very large borrowers in the non-financial sector rose 19.7 per cent y-o-y in March 2019 against 12.2 per cent in March 2018.

'Insurance sector set to move from a push industry to pull-based one'

SHOBHA ROY
Kolkata, December 31
The general insurance industry in India, which witnessed an overall deterioration in financial health this year on account of several natural calamities leading to higher claims, will work to strengthen the balance sheet to deliver better customer service.

There is also likely to be a massive transformation in the insurance sector, which is set to move from a push-based industry to a pull-based one in the next two to three years.

In an exclusive interaction with *BusinessLine*, Tapan Singhel, MD and CEO, Bajaj Allianz General Insurance Company, spoke about the impact of the various changes in the general insurance industry and the way forward. Excerpts:

What were some of the key challenges faced by the general insurance industry in 2019? How do you see the next year panning out for the industry?

One of the biggest challenges faced was the five floods during the course of the year. As a general insurance industry, this directly impacts us and affects almost all portfolios, including health, auto, and crop, among others.

Since the pricing of the industry is based on past experiences, prediction of such massive events in one year

would not have been taken into consideration by insurance companies, thereby impacting the balance sheet.

However, global weather change is something we cannot brush under the carpet as something small and insignificant.

This is one of the biggest learnings (for the industry) and it is here to stay. Weather change will play a big role in businesses and they will have to align themselves thinking about it, and the government should also think about cities and town planning.

How do you see the overall health of the general insurance industry?

The overall results of the industry are expected to deteriorate when compared to last year due to these massive events. The conditions are tough for most companies because of their solvency situation due to such results.

However, this will lead to an interesting scenario where companies will have

to look at how they take climate change as an inherent risk, and how they look at building their portfolios, businesses and pricing.

Moving forward, how will digital technology impact the general insurance industry?

What we called digital is no longer a luxury or board-room conversations now. The hyper speed of the internet, the kind of solutions that are emerging, and with a number of start-ups thinking of ways to look at businesses, this has changed.

Technologies such as blockchain, Artificial Intelligence and Machine Learning, which we spoke about two to three years back as something that will happen, is already there; so, now there is a massive shift happening in terms of processes, business solutions, and how data is being collected and looked at.

For the insurance industry to be away from this would not make any

sense, and that is why most companies are looking to find good solutions using these tools that benefit customer experience or get some new products that were not there.

Customers who have got used to an era of e-commerce are looking for instant delivery of products and services. If you look at insurance companies, they are very traditional in the way they think.

So, it is not only about micro changes now; my belief is that in the years to come and starting from next year, you will see efforts being made by the industry to make massive transformations to bridge all the gaps.

You said the insurance sector will move from being a push industry to a pull industry. Can you elaborate a little more?

The insurance industry has always been a push industry because nobody gets up to buy insurance on his own, but when a conversation happens, the person gets convinced to buy it. That is why insurance companies are still largely distributor-led companies because conversations have to happen.

Now, this is where the massive transformation will happen. Once a customer feels that his problems or worries are getting solved, there will be full effort in terms of buying the product. So, from a push, we will move to pull, and as a company, we are very keen to lead this transformation.

Companies will have to look at how they take climate change as an inherent risk, and how they look at building their portfolios, businesses and pricing

TAPAN SINGHEL
MD and CEO, Bajaj Allianz General Insurance Company



BANK FRAUD

ED attaches ₹127-crore assets of Pixion Media

OUR BUREAU
New Delhi, December 31
The Enforcement Directorate (ED) has attached assets worth ₹127.74 crore of immovable properties belonging to Pixion Media and its group companies in a bank fraud case that runs into ₹2,600 crore.

The attached assets consist

of two commercial plots and nine commercial floors of group companies situated in Mumbai, Chennai, Noida, and Kolkata, according to a press statement issued by the ED.

The ED initiated the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of seven FIRs and chargesheets filed by

the CBI. Pearl Media, Mahua Media, Pixion Vision, Pearl Studio, Pearl Vision and Century Communication are being investigated.

Investigation revealed that the accused - PK Tewari, Anand Tewari and Abhishek Tewari, directors of Pixion Group of companies - had fraudulently availed loans to

the tune of ₹2,600 crore from various banks. The accused persons further diverted the loan amounts through bank accounts of various companies and entities controlled by them, which were finally utilised in the procurement of assets at various places such as Mumbai, Chennai, Noida, and Kolkata.

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NOTICE
Notice is hereby given, in terms of Regulation 47(1) (a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, that a meeting of the Board of Directors of Tata Elxsi Limited will be held on Monday, January 13, 2020, inter-alia, to consider and take on record, the audited financial results of the Company for the quarter and nine months ended December 31, 2019.

for **TATA ELXSI LIMITED**
G Vaideyanathan
Company Secretary

Place: Bengaluru
Dated: December 31, 2019

The above financial results would be available after the Board meeting under the following links:

- http://www.tataelxsi.com/investors/investor-relations.html
- http://www.bseindia.com/stock-share-price/tata-elxsi-ltd/tataelxsi/500408
- http://www.nseindia.com/live_market/dynaContent/live_watch/get_quote/GetQuote.jsp?symbol=TATAELXSI

Western Coalfields Limited
(A subsidiary of Coal India Ltd.)

TENDER NOTICE

1) Tender No. : wcl-hq-pur-yvr-e101-2019-20 : Item Description : Open Domestic E Tender for Supply of Mobile Crane 12T capacity
Tender Value : ₹ 22,73,000/- Tendering Authority : Sr. Manager (MM), ADMIN, WCL, Coal Estate, Civil Lines, Nagpur.

2) Tender No. : na3250-mm-SG-e0165-2019-20 : Item Description : e-tender with e-price bid for Supply of Resin Capsules. Tender Value : ₹ 08.98 lakh Last Date of Submission of Tender : 13.01.2020 at 11.00 a.m. Date of opening of Tender : 14.01.2020 at 11.00 a.m. Tendering Authority : Staff Officer (MM), WCL, Nagpur Area, Kasturba nagar, Jariapatka, Nagpur-440014

3) E-Tender No. : WCL-UJ4550-PUR-OPEN-079-19-20 : Description : Supply of Auto Lubrication System spares for CAT 773E Dumpers & BH-60 Dumpers. Approx. Cost : ₹ 11,34,463.00 Last date of time for online submission of Tender : 06.01.2020 by 11.00 a.m. Due date and time of online opening of Tender : 07.01.2020 at 11.00 a.m. Tendering Authority : Staff Officer (MM), WCL, Umrer Area, P.O. Umrer Project, Dist. Nagpur-441204

For details contact : http://westerncoal.in, http://eprocure.gov.in or coalindiatenders.nic.in
"Give a missed call on toll free number 18002003004 to get our apps"

GHCL Limited
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Registered Office : GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad-380 009, (Gujarat) Ph. 079-38324100, Fax: 079-26423623
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NOTICE

Notice be and is hereby given in compliance of Regulation 29 read with Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, that 186th Board Meeting of the Company is scheduled to be held on Thursday, January 23, 2020 at New Delhi, to consider and approve inter-alia the reviewed un-audited standalone and consolidated financial results of the Company for the quarter ended December 31, 2019.

In this connection, as per the Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons (the Code) of the Company read with applicable provisions of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and clarification issued by NSE & BSE vide their circular dated April 2, 2019, the trading window for dealing in the shares of the Company is closed for all Designated Persons of the Company (including their immediate relatives) from December 31, 2019 to January 25, 2020 (both days inclusive).

This information is available on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) where the Company's shares are listed & is also available on the website of the Company (www.ghcl.co.in)

For **GHCL Limited**
Sd/-
Bhuvneshwar Mishra
Sr. General Manager & Company Secretary

Place : Noida
Date : December 30, 2019

DELHI JAL BOARD: GOVT. OF NCT OF DELHI
OFFICE OF THE EXECUTIVE ENGINEER (PROJECT) W-III
ROOM NO.402,VARUNALAYA PHASE-I,KAROL BAGH, NEW DELHI-5
Press N.I.T.No.05 (2019-20)
Press Notice Tender

S. No.	Name of work	Amount Put To Tender	Earnest Money/ Tender Fee	Date of release of tender in e-procurement solution/ID no.	Last date and time for receipt of tender through e-procurement solution
1	CONSTRUCTION OF 52.25 MLD BOOSTER PUMPING STATION AT JHANDEWALAN (CENTRAL DELHI). PART-A: Civil Works (including shifting of DJB pipe lines) PART-B: E & M Works PART-C: Operation & maintenance for two years including one year DLP	Rs. 4,20,05,636/- on percentage rate basis Item Rate Lump sum	Rs. 23.28 Lakh. (Rs. 20 lac through RTGS and balance 3.28 Lakhs through BG) / Rs. 1,500/-	30-12-2019 / 2019_DJB_186840_1	17-02-2020 upto 3:00 PM

The verification of details of NIT published in leading news papers may be sent to undersigned for record please.

ISSUED BY P.R.O. (WATER)
Advt. No. J.S.V. 754/2019-20
Executive Engineer (Project) W-III

IDFC FIRST Bank
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(Formerly known as IDFC Bank Limited)
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NOTICE

Pursuant to Regulation 29 read with Regulation 47(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notice is hereby given that a Board Meeting of IDFC FIRST Bank Limited (erstwhile IDFC Bank Limited) (the 'Bank') will be held on **Wednesday, January 29, 2020** at Mumbai to inter-alia discuss and approve, among other items, the Unaudited Standalone and Consolidated Financial Results (subjected to Limited Review by Auditors) of the Bank for the quarter and nine months ended December 31, 2019.

The Board Meeting information as sent to the Stock Exchanges shall be uploaded on the bank's website i.e. www.idfcfirstbank.com. The outcome of the Board Meeting along with the Unaudited Standalone and Consolidated Financial Results as approved by the Board of Directors in the said Meeting shall also be made available on the website of the Bank i.e. www.idfcfirstbank.com and on the website of the Stock Exchanges i.e. BSE Limited (www.bseindia.com) under the Security Code: 539437 and National Stock Exchange of India Limited (www.nseindia.com) under the Symbol: IDFCFIRSTB where the Bank's securities are listed.

As per the Code of Conduct for Prohibition of Insider Trading of the Bank and pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Trading Window for dealing in Securities of the Bank will remain closed for Insiders from Wednesday, January 01, 2020 till Friday, January 31, 2020 (both days inclusive).

By order of the Board of Directors
For **IDFC FIRST Bank Limited**
(Formerly known as IDFC Bank Limited)

Sd/-
Satish Gaikwad
Head - Legal & Company Secretary

Place : Mumbai
Date : December 31, 2019

