

## QUICKLY

## Rupee falls 2 paise against dollar

Mumbai, October 31  
The rupee pared its initial gains to close almost flat at 70.92 against the US dollar due to dollar buying by importers and banks. Rising crude prices and month-end dollar demand from oil importers weighed on the rupee sentiment, dealers said. At the interbank forex market, the rupee opened strong at 70.77 against the US dollar, driven by the US Fed's move to lower its interest rates. The domestic unit, later, gave up gains to settle at 70.92, showing a marginal fall of 2 paise over its previous close. "The rupee has been trading in the narrow range of 70.68-71.10 for the last seven sessions. After positive opening of 6 paise, the rupee lost ground after Dow index fell in the electronic trade in the second half of the session," said VK Sharma, Head PCG & Capital Markets Strategy, HDFC Securities. ■

## Federal Bank scholarship programme

Chennai, October 31  
Private sector lender Federal Bank is inviting applications for Federal Bank Hormis Memorial Foundation Scholarship for the academic year 2019-20. Students from Kerala, Tamil Nadu, Gujarat and Maharashtra, pursuing first year of MBBS, Engineering, BSc Nursing, BSc Agriculture, including BSc (Hons) co-operation and banking with agriculture sciences conducted by agriculture universities, and MBA, are eligible to apply for the scholarship, the bank said. The applicants should have also secured admission under merit in government, aided and self-financing colleges during the academic year 2019-20, the statement added. ■

# Indian companies take the ECB route, mop up \$25 billion in HI

NBFCs were the prominent fund-raisers with banks turning conservative in lending to them after the series of defaults at IL&FS

K RAM KUMAR  
Mumbai, October 31

India Inc raised 53 per cent more resources via external commercial borrowings (ECBs) in the first half of the financial year vis-a-vis the year-ago period, with non-banking finance companies (NBFCs) among the prominent fund-raisers.

NBFCs made a beeline for overseas funding after domestic banks turned conservative in lending to them in the wake of the debt default crisis at IL&FS.

In the April to September 2019 period, Indian companies mopped up \$25.16 billion through the ECB route, against \$16.48 billion in the April-

September 2018 period, according to Reserve Bank of India data.

The NBFCs that tapped the ECB route in one or more tranches during the reporting period include Shriram Transport Finance Company, India Infoline Finance Ltd, Piramal Capital and Housing Finance, and L&T Finance (\$750 million), Bajaj Finance (\$575 million), ECL Finance (\$500 million), Indiabulls Housing Finance (\$350 million), and HDB Financial Services (\$300 million).

The other large NBFCs that raised resources via ECB were Cholamandalam Investment and Finance Company (\$272 mil-



With interest rates going down globally and rupee fairly stable, external commercial borrowings are cheaper than domestic debt

lion), Tata Capital Financial Services, Tata Motors Finance and Fullerton India Credit (\$250 million each), and HDFC (\$200 million).

PNB Housing Finance, Aditya Birla Housing Finance, and Aditya Birla Finance raised \$100 million each.

Among the specialised NBFCs that raised resources were Power

Finance Corporation (\$2 billion) and Indian Railway Finance Corporation (\$1.05 billion).

ECBs are commercial loans raised by eligible resident entities from recognised non-resident entities, and have to conform to parameters such as minimum maturity, permitted and non-permitted end-uses, and maximum all-in-cost ceil-



## Bad loan reporting: SEBI tightens norms for listed banks

OUR BUREAU  
Mumbai, October 31

Markets regulator SEBI now has a strict framework for banks to report bad loans.

The regulator, on Thursday, said that listed banks will have to disclose any divergence in bad loan provisioning within 24 hours of receiving the RBI's risk assessment report, rather than waiting to publish the details in their annual financial statements.

This comes into force with immediate effect.

Banks have been under-reporting bad loans and have even attracted RBI action. The SEBI move was in consultation with the RBI. SEBI said that disclosures in respect of divergence and provisioning will require immediate disclosure as they are material events that could impact stock prices.

"Listed banks shall make disclosures of divergences and provisioning beyond specified threshold, as mentioned in aforesaid RBI notifications, as soon as reasonably possible and not later than 24 hours upon receipt of the RBI's Final Risk Assessment Report (RAR), rather than waiting to publish them as part of annual financial statements," said SEBI.

SEBI has issued a format in which such disclosures need to be made.

It says that the disclosures are required if a bank's additional provisioning for NPAs assessed by the RBI exceeds 10 per cent of the reported profit before provisions and contingencies, and if the additional gross NPAs identified by the RBI exceed 15 per cent of the published incremental gross NPAs.

## Dhanlaxmi Bank Q2 profit rises to ₹22 crore

T Latha steps down as MD and CEO

V SAJEEV KUMAR  
Kochi, October 31

T Latha, Managing Director and CEO of Thrissur-based Dhanlaxmi Bank, tendered her resignation on Thursday. She has put in her papers citing personal reasons. The board, at a meeting held in Thiruvananthapuram on Thursday, accepted her request, and the same has been intimated to the Reserve Bank of India.

"I have decided to resign from the bank absolutely on personal reasons. I really need a break and have not

yet decided on future plans," she told BusinessLine over phone.

"The 15-month-long career with the bank has been very good, and during all five quarters, the bank has been able to make profits. This year, too, the results are excellent," she added.

Latha had assumed charge as MD and CEO in July 2018 and was instrumental in turning around the 90-year-old bank in less than a year.

The bank registered an 81 per cent growth in net profit in Q2 of FY20 at ₹22.1 crore, when compared to ₹12.1 crore in the corresponding period of the previous fiscal.

The net profit in Q1 of FY20



The bank made profits in the last five quarters, said T Latha

was ₹19.84 crore. For the half-year ended September, the bank has reported a net profit of ₹41.91 crore, when compared to a net loss of ₹32.84 crore during the same period in the last fiscal.

Net interest income in Q2 rose by 15 per cent to ₹100.6 crore, from ₹87.4 crore in Q2 of FY19.

Bank officials attribute the growth of business to the focus on retail loans and NPA

recovery, caution against fresh instances of slippages, and a renewed drive to strengthen current and savings deposits and other income.

The net NPA position has improved to 1.65 per cent from 2.92 per cent on a year-on-year basis (₹173.54 crore to ₹105.34 crore). Cost of funds has come down from 5.73 per cent to 5.69 per cent.

Total provisions have come down to ₹34.65 crore from ₹46.82 crore a year ago. Business per employee is up from ₹9.34 crore to ₹10.04 crore.

Yield on advances, too, has improved from 10.46 per cent to 10.68 per cent.

## Syndicate Bank posts ₹251-cr profit

OUR BUREAU  
Bengaluru, October 31

Syndicate Bank has posted a profit of ₹251 crore in the second quarter of financial year 2019-20, against a loss of ₹1,542.54 crore in the same period last year. The bank's total income is higher by 4.48 per cent at ₹6,153.10 crore against the ₹5,888.87 crore recorded last year. EPS for the quarter stood at ₹0.94 against last year's ₹0.88.

"During the Q2, our bank achieved all key parameters. The various initiatives resulted in growth of business, profit and assets quality. We are continuing our focus on business growth, retail share, IT-enabled services and maximising NPA recovery," said Mrutyunjay Mahapatra, Man-

aging Director and CEO, Syndicate Bank.

"The capital adequacy remained excellent and pipeline of new corporate and retail loans are robust. The growth projections are very much achievable," he added.

The bank's gross NPA stood at ₹25,382.26 crore (last year it was ₹27,131.14 crore), while net NPA is ₹12,481.35 crore (₹13,321.30 crore); the percentage of gross NPA stood at 11.45 per cent against 12.98 per cent last year. The percentage of net NPA stood at 5.98 per cent against last year's 6.83 per cent.

Net Interest Income (NII) increased by 11 per cent from ₹1,572 crore in the September 2018 quarter to ₹1,739 crore in the September 2019 quarter.

## PSB mergers may not have immediate impact on ATM networks, say experts

SURABHI  
Mumbai, October 31

Will the merger of public sector banks impact the country's already shrinking ATM network?

There seem to be no easy answers for this poser as of now, but experts and industry watchers say there could be some consolidation in the ATM network with the merger of PSU banks, and customers need not worry about services getting impacted.

"Just as the merged entity will look to consolidate bank branches in a single area, it would do the same with ATMs. This will bring in economies of scale, but (that) is still some time away," said a former banker, who did not wish to be named, while noting that the number of ATMs are falling for various other reasons.

Radha Rama Dorai, MD, ATM and Allied Services, FIS, said: "The recent merger an-



Going digital The government is hoping that digital payments will cut down on the need to withdraw cash from ATMs

nouncements of state-run banks will have an impact on ATM numbers going forward, as the consolidation plan will surely take into account the multiplicity of ATMs of the merging banks in a location or its vicinity. In the merger, the merged entity will give preference to continuing with an ATM outlet that has good transactions, is well located, and is fully compliant with regulatory norms.

"This may result in the

other ATMs getting shut down or relocated after necessary upgradation. However, it is difficult at this stage to ascribe any number."

The Finance Ministry had, earlier this year, announced plans to merge 10 public sector banks into four larger entities. The banks are already working on ways to ensure seamless customer service.

RBI data reveal that in the case of the merger of Vijaya

Bank and Dena Bank with Bank of Baroda, the impact on the ATM network has been limited till now. But consolidation of branches and ATMs is still under way, it is understood.

The merged BoB had an ATM network of about 13,411. However, according to the RBI's annual report, the number of ATMs in the country declined to 2,21,703 by March-end 2019, from 2,22,247 in March-end 2018.

### ATM fee structure

While the government is hoping that digital payments will cut down on the need to withdraw cash and the use of ATMs, an RBI committee is also looking at the ATM fee structure to boost the network.

White-label ATM operators also remain upbeat about ATM infrastructure and cash recycler machines, provided the fee structure is made more beneficial.

## Three years after note ban, banks see 'spurt' in digital transactions

G NAGA SRIDHAR  
Hyderabad, October 31

The share of digital transactions in the banking sector has been showing a significant increase three years after demonetisation was introduced.

This includes transactions undertaken through internet, mobile, UPI, and green channels of different banks. The latest data, as per the second quarter numbers of major banks, show that there has been a steady surge in the digital journey in the last three years.

For SBI, the share of digital transactions comprising net, mobile, UPI, Yono, and green channel went up 56 per cent as on September 2019, compared to 48 per cent in the year-ago period. With 23 per cent of market share in UPI, SBI crossed the

20-million-mark in transactions processed in a day on October 1. ICICI Bank said that during the last year that ended September 2019, the volume of mobile banking transactions increased 136 per cent to ₹22,300 crore from ₹9,400 crore. As per data pertaining to Punjab National Bank and UPI, transactions went up by 125 per cent at the end of June; PNB E-Rupaya, the patented digital solution for villages without internet connectivity, has also been making steady progress.

Data from other banks and NPCI also confirm the trend. According to NPCI data, UPI transactions crossed the milestone of one billion transactions in October. Experts see a link between demonetisation and spurt in digital transactions. "What started as a forced prac-

tice in the initial months of demonetisation and cash shortage, which almost extended for over six months, has now become practice and a matter of convenience," said a senior official with SBI.

Individual products of banks, such as YONO of SBI, have also been contributing to the growth. "The spurt is definitely not a trend line, though some are calling it that way," said Prasanna Tantri, Professor and Academic Director, Centre for Analytical Finance, Indian School of Business (ISB). "Data costs are now cheaper in India than in some other markets. This, coupled with the increasing base of mobile phones and percolation of regional language tools, are among the key drivers of digital financial transactions," added Tantri.

## Seven shortlisted for Deputy Governor's post at Reserve Bank

PRESS TRUST OF INDIA  
New Delhi, October 31

A search panel headed by the Cabinet Secretary is scheduled to interview seven shortlisted candidates next week for the post of RBI Deputy Governor, sources said.

The post had fallen vacant after Viral Acharya resigned in July, six months before the end of his term. The Reserve Bank has four Deputy Governors.

The Financial Sector Regulatory Appointment Search Committee (FSRASC) has shortlisted seven candidates, who will be called for interview on November 7, the sources said.

The search panel also includes RBI Governor, Financial Services Secretary, and some independent members. The appointment will be for three years, and the person is eligible for re-appointment.

## Lenders pay the price for negative rates as European Central Bank tries to ease pain

BLOOMBERG  
October 31

Three months after Christian Sewing declared he was returning Deutsche Bank to its roots as a European lender, the CEO faced a reckoning: There is just no quick fix for banks in a region plagued by negative interest rates.

On Wednesday, Germany's largest bank reported a 4 per cent drop in third quarter revenue at the businesses it had earmarked for growth, due in part to a further decline in interest rates that few banks could have predicted a half-year ago. Its shares fell the most in more than three years.

### Negative territory

Deutsche Bank's earnings and those of its European peers in the latest quarter underscored the pain they are feeling after the European Central Bank pushed interest rates deeper into negative territory,

undermining their business model. While some relief is on the way, with a tiered system for the ECB's charges that kicked in on Wednesday, banks still must start passing penalties on to clients - even in areas that were previously off-limits.

"We are taking action to offset that environment," said James von Moltke, Deutsche Bank's chief financial officer. "We are looking across our businesses at passing on negative rates to clients where it's prudent and sensible and also legal."

"Deutsche Bank is talking to wealthy clients and business customers about sharing negative rates above certain thresholds, and has introduced fees for some retail customers," said von Moltke. Banks in Switzerland have already taken similar action. In September, Credit Suisse Group told private banking and corporate clients with de-

posits greater than two million Swiss francs (\$2 million) that they would start to incur a negative rate.

"Negative rates are not helpful to the banking sector, I think everybody can see that," said Credit Suisse CEO Tidjane Thiam. "So, it's something that will have to change at some point to really get the sector back on track. Private clients pulled about 600 million francs in the third quarter from Credit Suisse's Swiss Universal Bank."

Central banks around the world are reducing interest rates in response to slowing economic growth, but Europe is particularly hard hit because the region has experienced with negative rates for several years.

The ECB and its peers in Denmark and Switzerland sought to stimulate growth by charging banks to deposit funds, rather than lending to consumers or businesses.

## Srei, United Bank in co-lending deal

OUR BUREAU  
Kolkata, October 31

Srei Equipment Finance, a wholly-owned subsidiary of Srei Infrastructure Finance, has partnered with United Bank of India (UBI) to offer loans to MSME sector and retail customers under a co-lending arrangement. The NBFC and the bank jointly organised loan utsav across 20 cities.

These loan melas were held at Delhi, Mumbai, Hyderabad, Ahmedabad, Pune, Nagpur, Jaipur, Haldia, Durgapur, Ranchi, Keonjhar, Bolangir, Patna, Vijaywada, Rajkot, Chandigarh, Karnal, Udaipur, Lucknow, and Bhopal. Loans were offered to the MSME sector and other retail customers against purchase of construction equipment.

According to a release, loan to value of up to 90 per cent of the equipment was offered for tenure of up to five years, while a moratorium of 30-60 days was also given depending on the loan structure and size.

		THANGAMAYIL JEWELLERY LIMITED					
		Regd. Office: 124, Nethaji Road, Madurai - 625 001. Corp. Office: 25/6, Palami Center, New Natham Road, Madurai - 625 014. CIN-L36911TN2000PLC044514 (All Amount in Indian Rupees lakhs except per share data)					
		UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTH ENDED SEPTEMBER 30, 2019					
		Quarter Ended			Half Year Ended		Year Ended
Sl. No.	Particulars	30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Total Income from Operations	39,452.89	49,190.93	36,365.23	88,643.82	75,113.07	1,44,622.22
2	Net Profit/(Loss) for the period (before tax, Exceptional and/ or Extra Ordinary Activities)	1,819.93	1,989.27	1,054.84	3,809.19	2,609.40	4,553.94
3	Net Profit/(Loss) for the period before tax (After Exceptional and/ or Extra Ordinary Activities)	1,819.93	1,989.27	1,054.84	3,809.19	2,609.40	4,553.94
4	Net Profit/(Loss) for the Period after tax (After Exceptional and/ or Extra Ordinary Activities)	1,179.81	1,285.15	700.22	2,464.95	1,737.58	3,025.59
5	Total Comprehensive income for the period (Comprising Profit/ Loss for the period (after tax) and Other Comprehensive Income (After Tax))	1,178.59	1,283.51	703.91	2,462.10	1,733.94	3,024.96
6	Equity Share Capital	1,371.96	1,371.96	1,371.96	1,371.96	1,371.96	1,371.96
7	Other Equity						17,946.74
8	Earning per share (of Rs.10 each) (for continuing and discontinued operations)						
	a) Basic	8.59	9.36	5.13	17.95	12.64	22.05
	b) Diluted	8.59	9.36	5.13	17.95	12.64	22.05

Notes: The above is an extract of the detailed format of quarterly / Annual financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarterly / Annual financial results are available on the stock exchange websites, www.nseindia.com and www.bseindia.com, and on the company's website - www.thangamayil.com

Date: 31-OCT-19  
Place: Madurai

By Order of the Board  
-sd-  
Balarama Govinda Das  
Chairman and Managing Director