

PSBs disbursed ₹2.5-trn loans in October: FinMin

48% of this went to companies

ARUP ROYCHOUDHURY
New Delhi, 21 November

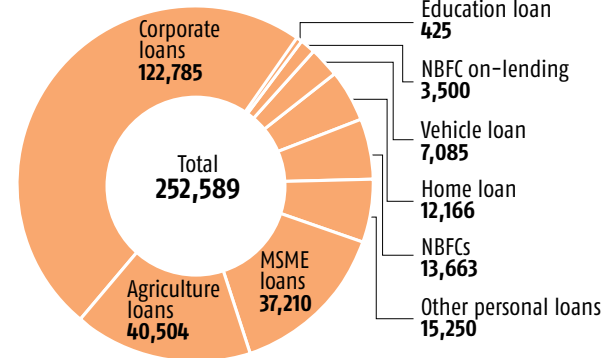
State-owned banks disbursed around ₹2.52 trillion worth of loans in October through loan *melas*, camps and other outreach initiatives, a finance ministry statement said on Thursday.

This follows an announcement by Finance Minister Nirmala Sitharaman in September that banks would conduct such customer outreach initiatives as the government looks for various ways to boost liquidity and investment, while facing the worst slowdown in more than half a decade, in real terms.

However, as the information provided by the ministry showed, almost half of the loans disbursed were to corporate entities — at around ₹1.23 trillion — and only ₹37,210 crore worth of loans went to micro, small and medium enterprises. Agriculture loans fared a little better at ₹40,504 crore, while

WHO GOT HOW MUCH

Disbursement in October by PSBs (₹ cr)



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home loans were at ₹12,166 crore.

Real gross domestic product (GDP) growth rate for the April-June quarter was 5 per cent, the lowest since 2013. The nominal GDP growth rate

came in at 8 per cent, the lowest since the third quarter of 2002-03. For the July-September quarter, analysts and internally even the government expect GDP growth

rate to be closer to 4 per cent than 5 per cent.

For October, non-banking financial companies (NBFCs) — where the liquidity crunch is most acute — received credit support of ₹19,627.26 crore from banks, the statement said. This included credit under co-originated credit, pooled buyouts of NBFC assets by banks and partial credit guarantee schemes.

“PSBs (public sector banks) actively reached out to their customers in these camps and made concerted efforts towards activities such as sanctioning of loans in line with prudential norms, opening of accounts along with Aadhaar and mobile seeding of accounts, and popularizing BHIM app. The drive also simultaneously galvanised similar outreach efforts in individual branches of PSBs,” it said.

Of the ₹2.52 trillion, ₹1.06 trillion was disbursed towards new term loans, while ₹46,800 crore was towards new working capital loans, both of which combined to make up 60 per cent of the total disbursement, the statement said.

SBI: Made many poor commercial decisions

PRESS TRUST OF INDIA
Mumbai, 21 November

Largest lender SBI does not “mind” its lower stock valuation compared to a leaner private sector players because of state ownership and social sector focus, but admitted that it needs to improve on commercial decisions.

Speaking at an event organised by former Sebi chief M Damodaran on Thursday, Arijit Basu, a managing director at SBI, also conceded that the bank has erred on some business decisions and cannot attribute those to social compulsions.

SBI’s market capitalisation on Friday stood at a low ₹2.95 trillion, which is just about 42 per cent of private sector HDFC Bank’s ₹7.02 trillion, while SBI’s loanbook is ₹22.48 trillion, and the same for HDFC Bank is under ₹9 trillion.

“If our market cap is slightly lower... we do not mind that. We are absolutely fine with that,” Basu said and partly blamed it on government ownership, which plays an important part in the market’s calls on valuations and asserted that the bank is proud of its work on the social uplift front and infrastructure building because of the state ownership.

But he was quick to add that SBI is a “commercial organisation with a difference...we have to start with the premise that certain objectives of the government of the day and for the society at large, cannot be done away with,” he said, adding organisations like SBI exist because of the societal challenges.

He, however, conceded that some commercial decisions taken by the bank in the past decade have been wrong and it cannot blame the social sector mandates for such decisions.

DEVELOP NEW WAYS TO CHECK FRAUD: PM TO CAG



PM Narendra Modi at the conclave of the Comptroller and Auditor General of India (CAG) in New Delhi on Thursday. The PM asked the CAG to “look for innovative methods to deal with occupational fraud” in government departments and play a role in making India a \$5-trillion economy. Modi said the government wanted to move to evidence-backed policy making by 2022 and CAG can play a role by becoming a think tank and focusing on big data analysis

PHOTO: PTI

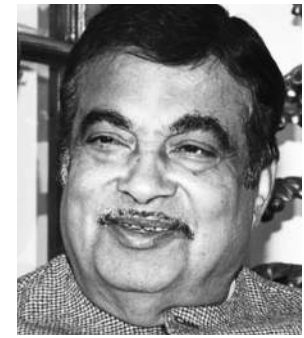
Get free FASTags at NH toll booths till Nov-end

MEGHA MANCHANDA
New Delhi, 21 November

Union Road and Highways Minister Nitin Gadkari on Thursday directed the National Highways Authority of India (NHAI) to issue FASTags free until December 1, ostensibly to encourage people to move towards cashless and seamless travel.

“Free FASTags will be available at all points of sale of the NHAI and they will also be made available at other places having a high potential of sales,” Gadkari told reporters at a press conference. The Ministry of Road Transport and Highways is putting in deposit money of ₹150 on behalf of each user for now.

Almost 90 per cent toll plazas are ready with FASTag infrastructure as of now and only some new toll plazas will face teething issues, the minis-



Twice the toll amount will be charged from next month for passing through FASTag lanes without the tags, Union Minister Nitin Gadkari said

ter said. The government had announced that it would make FASTags or electronic toll collection system mandatory across all 537 toll plazas from December 1.

The current mechanism of FASTag allows one hybrid lane,

which can accept both cash and cashless transactions. Under this electronic system, the toll is deducted from the RFID (radio frequency identification)-enabled FASTag fixed on the windshield of a vehicle.

Gadkari also directed the NHAI to ensure deployment of the best technology to make the FASTag project a success.

The government has decided to deploy central prabhari officers in states to monitor the preparedness and ensure 100 per cent electronic tolling. The officers are required to take steps to fill the gaps and undertake three visits of a minimum of three days at appointed places between November 17 and December 10.

Meanwhile, in reply to a Lok Sabha question, Gadkari said the government had issued challans worth ₹577 crore since the new Motor Vehicles Act came into effect.

BJP, Congress trade barbs over electoral bonds

PRESS TRUST OF INDIA
New Delhi, 21 November

Trading barbs at each other over the issue of electoral bonds, the Congress on Thursday called them an opaque route to make the “government corruption official”, while the BJP accused it of opposing such bonds as they curb black money and brought in “honest” money in politics.

The Congress raised the issue in Parliament, where its leader Manish Tewari termed electoral bonds “opaque” because nobody knows who have bought them for which

party and termed them a threat to “democracy”.

The BJP fielded Union minister Piyush Goyal to defend bonds and he also termed the Congress’ stand as an “alliance of the defeated and the dejected corrupt politicians” who do not want clean, tax-paid transparent money in elections. The issue of electoral bonds has snowballed into a political flashpoint after following reports that said the RBI and Election Commission had reservations against them but we’re overrule

by the Modi government. Goyal asserted that the government took almost a year to address the concerns of the RBI and the Election Commission, and expressed confidence that the EC will now be satisfied after experiencing the transparency and honest money brought in political funding by these bonds. All the information about the electoral bonds are in public domain and can be accessed through RTI, he said, dismissing reports over the matter as “no new revelations”.

The Congress earlier attacked the BJP-led government at the Centre, with its chief spokesperson Randeep Singh Surjewala describing it as a “modus operandi to receive thousands of crores from big business houses through secret donations”.

Citing news reports, Surjewala had said, “The intrigue and the conspiracy has now indicted the prime minister himself. RTI documents establish the role and indict none less than the prime minister himself.” The party raised the issue in both the Houses of Parliament on Thursday.

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