

## Bank strike impact: Rs 23,000 cr worth of cheques held up

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**CHENNAI:** Banking operations were largely affected in the country on Friday owing to the strike by bankers pressing for early settlement of wage revision, said a top leader of All India Bank Employees' Association (AIBEA).

"In the clearing grids in Mumbai, Chennai and Delhi, about 31 lakh cheques

harashtra, Andhra Pradesh and Telangana, West Bengal, UP, MP, Delhi, Punjab, Gujarat, Karnataka, Kerala, Bihar, etc. banking transactions have been greatly affected," Venkatachalam said.

The bankers have called strike on the day when the Economic Survey will be presented and Finance Minister Nirmala Sitharaman would be presenting



worth about Rs 23,000 crore could not be cleared due to the strike. Most of the bank branches remained closed. Cash could not be deposited or withdrawn, C.H. Venkatachalam, General Secretary, AIBEA said.

The United Forum of Bank Unions (UFBU), an umbrella body of nine unions in the banking sector had given the strike call for Jan 31 and Feb 1.

"As per reports reaching us from all over the country, mainly from major states like Tamil Nadu, Ma-

har second budget on February 1.

Venkatachalam said wage revision settlement in banks is due from November, 2017 because the last settlement ended in October, 2017.

Even though discussions are going on for the past 30 months, the bank managements and Indian Banks' Association (IBA) did not come forward to settle the demands with a reasonable increase in salary looking to inflation and heavy workload on the employees.

## Bank strike hits services in Kashmir, some ATMs shut

**SRINAGAR:** Banking services were severely hit even as customers are facing inconvenience in the summer capital, Srinagar and other parts of Kashmir valley on Friday, the first day of the two-day nationwide strike called by employees unions to press for wage revision.

The United Forum of Bank Unions (UFBU), an umbrella body of nine bank unions, decided to call for a two-day strike from Friday after no breakthrough was made with the Indian Banks Association over wage revision.

Branches of all the centralized banks, including State Bank of India (SBI), were closed since early morning, causing inconvenience to the customers, who were caught unaware of the strike.

Despite banks, including SBI, claiming that the customers were informed about the strike, people in the valley alleged that no prior information about the strike was communicated to them.

"It is really ironic that we had no idea about the strike. We should have been informed about it so that we could have made prior arrangements. I have to send money to my son who is studying in an engineering college in Bangalore. But due to the strike, I can only send him the money on Monday, which is three days from today," Manzoor Ahmad, a bank customer, told UNI.

Mr Manzoor said that with only low speed mobile internet service operational in the valley, sending money is possible only at a bank branch. "People who came to the branch had no idea about the strike," he alleged.

Similar views were expressed by other customers in the valley.

Meanwhile, customers alleged that some ATMs have already dried up as the cash was not refilled on Friday due to the strike in north and south Kashmir. Bank unions have demanded a 20 per cent pay hike on pay slip components with adequate loading thereof while the management is not willing to go beyond 12.25 per cent. Other demands include 5-day work week, merger of special allowance with basic pay and scrapping of new pension scheme.



## JK Bank Q3 Net Dips 52pc To Rs 49Cr As Special Statehood Status Revocation Disrupts Cash flows

Press Trust Of India

**NEW DELHI:** Jammu & Kashmir Bank on Friday said its standalone net profit fell by 52 to Rs 49.64 crore in the third quarter of 2019-20 as the abrogation of Article 370 in J&K impacted business activities and cash flows.

The state-owned lender had posted a net profit of Rs 103.75 crore in corresponding October-December period of the previous fiscal.

Total income on standalone basis was marginally up at Rs 2,196.02 crore in the reported quarter of 2019-20 as against Rs 2,166.22 crore in the same period of 2018-19, J&K Bank said in a regulatory filing.

There was rise in bank's gross bad loans as the non-performing assets (NPAs) rose to 11.10 per cent of the gross advances as on December 31, 2019 as against 9.94 per cent by the same period of the previous fiscal.

However, the net NPAs came down to 4.36 per cent of net advances by end of December 2019 quarter from 4.69 per cent a year ago.

In value terms, the gross NPAs were

at Rs 7,711.60 crore by end of December 2019, higher than Rs 6,859.73 crore by December 2018.

Net NPAs were of the order of Rs 2,810.32 crore compared with Rs 3,049.18 crore.

On consolidated basis, net profit declined by 53 per cent to Rs 49.06 crore in the December quarter compared to Rs 102.80 crore in October-December 2018.

Income grew to Rs 2,197 crore from Rs 2,169.77 crore in year ago period. The consolidated results include that from subsidiary firm JKB Financial Services and associate J&K Gramme Bank.

"Due to imposition of restrictions in J&K with effect from August 5, 2019 on account of re-organization of J&K state, all the business activities came to a halt thereby adversely impacting the cash flows in all sectors as a result of which a large number of accounts came under stress," the bank said.

J&K Bank said it approached the Reserve Bank with the request to continue the standard asset classification

of distressed MSME accounts of J&K.

Expecting a favourable disposal of the request, the Bank deferred to run the System Level Asset Classification (SLAC) on September 30, 2019 for MSME borrowers of J&K spread over 21,668 accounts involving Rs 1,451.44 crore.

"However, SLAC was carried out on all other accounts and the bank downgraded Rs 1,340.92 crore during the quarter ended September 30, 2019. The Bank carried SLAC across all sectors (including MSME accounts in J&K) on December 31, 2019 and downgraded MSME accounts amounting to Rs 329.01 crore which were given effect from 30 September 2019 because these were under stress at that point of time as well."

Further, it said the Risk Assessment Report (RAR) of the RBI reported divergence in assets classification Rs 195 crore and provisioning Rs 884 crore has been recorded in the financial results for the period ended September quarter of this fiscal.

J&K Bank shares closed unchanged at Rs 27.35 on BSE.

## Slowdown bottomed out, GDP expected to grow at 6.5 per cent: Chief Economic Adviser

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**NEW DELHI:** Chief Economic Adviser K V Subramanian on Friday said India's GDP is expected to grow at 6-6.5 per cent next fiscal as the economic slowdown has bottomed out.

As per the first advance estimates released by the National Statistical Organisation (NSO), the country's economic growth is likely to hit an 11-year low of 5 per cent in the current fiscal ending March 2020.

The Economic Survey 2019-20, prepared by a team led by Subramanian, has projected the GDP to expand in the range of 6-6.5 per cent during 2020-21.

The Indian economy has hit the bottom and it will see an uptick from here, he said in a media briefing post the Economic Survey.

Amidst a weak environment for global manufacturing, trade and demand, the Indian economy slowed down with GDP growth moderating to 4.8 per cent in the first half of 2019-20, lower than 6.2 per cent in H2 of 2018-19.

Based on NSO's first advance estimates of GDP growth for 2019-20 at 5 per cent, an uptick in GDP

growth is expected in the second half of the fiscal, it said.

According to it, the uptick in second half of 2019-20 would be mainly due to ten positive factors like picking up of Nifty India Consumption Index for the first time this year, an upbeat secondary market, higher FDI flows, build-up of demand pressure, positive outlook for rural consumption, rebound of industrial activity, steady improvement in manufacturing, growth in merchandise exports, higher build-up of foreign exchange reserves and positive growth rate of GST revenue collection.

The survey also emphasised that merger of public sector banks may increase the financial strength of the merged entities, lower the risk aversion and result in lowering of lending rates.

Further, as the implementation of GST further settles down, the increased unification of the domestic market may reduce business costs and facilitate fresh investment.

Reforms in land and labour market may further reduce business costs, said the survey, presented a day before Sitharaman's Union Budget 2020-21.

## Rupee rises 25 paise to 71.33 against US dollar



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**MUMBAI:** The Indian rupee on Friday appreciated by 25 paise to end at 71.33 against the US dollar on Friday after the Economic Survey 2019-20 predicted bullish growth figures for the next financial year.

Forex traders said market participants are now awaiting cues from the Union Budget. The are also assessing the economic implications of the coronavirus outbreak.

The Economic Survey 2019-20 tabled in Parliament on Friday pegged GDP growth at 6-6.5 per cent in fiscal year starting April 1, up from 5 per cent in current fiscal.

At the interbank foreign exchange market, the local currency opened at 71.46. During the day, the local unit saw a high of 71.28 and a low of 71.52. The domestic unit finally settled at 71.33, up 25 paise from its previous close.

The rupee had settled at 71.58 against the American currency on Thursday.

Forex traders further said easing crude oil prices supported the local unit.

"Brent crude continued to remain under pressure and trades around five month low. Lower crude is supporting Indian rupee to cap its losses against the dollar," said V K Sharma, Head PCG and Capital Markets Strategy, HDFC Securities.

Meanwhile, the global crude benchmark Brent futures rose 0.69 per cent to trade at USD 58.69 per barrel.

## India's share in global commercial services exports up at 3.5 per cent

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**NEW DELHI:** The services sector accounts for about 55 per cent of the economy and gross value added (GVA) growth, according to the Economic Survey 2019-20 tabled in Parliament on Friday by Finance Minister Nirmala Sitharaman.

The sector accounts for two-thirds of total foreign direct investment (FDI) inflows into India and about 38 per cent of India's exports.

The survey said the services sector saw 33 per cent jump in the gross FDI equity inflows during April to September 2019, touching 17.58 billion dollars. This was

driven by strong inflows into sub-sectors such as information and broadcasting, air transport, telecommunications, consultancy services, and hotel and tourism.

Services exports have outperformed goods exports in the recent years, due to which India's share in world's commercial services exports has risen steadily over the past decade to reach 3.5 per cent in 2018, twice the share in world's merchandise exports at 1.7 per cent.

From a long term-perspective, the survey said focusing on boosting service exports during bilateral trade negotiations augurs well for India in mitigating

bilateral trade deficits with trading partners.

Within the services sector, tourism services are a major engine of growth, contributing to GDP, foreign exchange earnings and employment. However, growth in foreign exchange earnings slowed in 2018 and 2019 in line with global trends.

The IT-BPM industry has been the flag-bearer of India's exports for the past two decades, with industry size reaching about 177 billion dollars in March last year. The sector contributes significantly to the economy via employment growth and value addition. Besides, the Indian start-up ecosystem

has been progressing and is now the third largest in the world with 24 unicorns.

However, the turnaround time of ships, which is a key indicator of the efficiency of the ports sector, has been on a continuous decline, almost halving between 2010-11 and 2018-19 from 4.67 days to 2.48 days.

India's space programme has grown exponentially since its modest beginnings five decades ago, moving from simple mapping services to many more uses currently. Even though India's spending is less compared to others, ISRO has launched five to seven satellites per year in recent years with almost no failures.

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## India's GDP Growth Neither Overestimated Nor Underestimated, Says Economic Survey

**NEW DELHI:** India's GDP growth is neither overestimated nor underestimated and the concerns on data are "unfounded", the Economic Survey 2019-20 said on Friday as it tried to settle the debate over veracity of the macroeconomic data following change in estimation methodology.

Recently, Arvind Subramanian, the Narendra Modi government's former chief economic adviser, had said India's economic growth rate has been overestimated by around 2.5 percentage points between 2011-12 and 2016-17 due to a change in methodology for calculating GDP.

India's gross domestic product (GDP) growth rate between this period should be about 4.5 per cent instead of the official estimate of close to 7 per cent, he had said in a research paper published at Har-

vard University.

The Economic Survey tabled in Parliament on Friday said the level and growth of a country's GDP informs several critical policy initiatives as it is a barometer of the economy's size and health.

"It is also a pre-eminent driver of investment. Therefore, it is important that GDP is measured as accurately as possible," it said.

The survey notes that the recent debate and discussion among scholars, policymakers and citizens alike about India's GDP growth rates following the revision in GDP estimation methodology in 2011 assumes significance, especially given the recent slowdown.

Using careful statistical and econometric analysis that "does justice" to the importance of the issue, the Survey in a dedicated chap-

ter said it has found no evidence of mis-estimation of India's GDP growth.

It said that cross-country comparisons are fraught with risks of incorrect inference due to various confounding factors that stem from such inherent differences.

As a result, cross-country analysis has to be carefully undertaken so that correlation is distinguished from causality.

The models that incorrectly overestimate GDP growth by 2.77 per cent for India post-2011 also misestimate GDP growth over the same time period for 51 other countries out of 95 nations in the sample, it said.

However, when the models are estimated correctly by accounting for all unobserved differences among countries as well as the

differential trends in GDP growth across countries, growth for most of these 52 countries (including India) is neither over- nor underestimated.

"In sum, concerns of over-estimation of India's GDP are unfounded," it said.

It further said the need to invest in ramping up India's statistical infrastructure is undoubted.

In this context, setting up of a 28-member Standing Committee on Economic Statistics (SCES) headed by India's former chief statistician is important, it said.

Nevertheless, carefully constructed evidence in the Survey must be taken on board when assessing the quality of Indian data, said the survey tabled in Parliament by Finance Minister Nirmala Sitharaman a day before she presents the Union Budget.

## Over Rs 2 lakh cr projects under Smart City Mission underway: Survey

**NEW DELHI:** The government's Smart City mission seems to be moving smoothly with the Economic Survey on Friday suggesting that under the initiative, more than 5,000 projects worth more than Rs 2 lakh crore were under different stages of implementation in 100 cities across the country.

The Survey noted that in all the target cities, Special Purpose Vehicles (SPVs) have already been incorporated while City Level Advisory Forums (CLAFs) and Project Management Consultants (PMCs) have been set up.

"Since the launch of the mission, 5,151 projects worth more than Rs 2 lakh crore are at various stages of implementation in the 100 cities," the Survey said.

As on November 14, 2019, 4,154 SCM projects worth Rs 1.49 lakh crore (72 per cent of the total proposals) have been tendered, out of which 3,359 projects worth Rs 1.05 lakh crore (51 per cent of total proposals) have been issued work

orders. Additionally, about 1,290 projects worth Rs 22,569 crores have been completed and are operational.

Breaking down the developments in creating smart cities across the length and breadth of the country, the Survey said that smart command and control centres worth Rs 4,135 crore have been completed in 26 cities.

As many as 51 smart water works worth Rs 2,136 crore have been completed, 127 smart road projects worth Rs 1,784 crore have been completed and 39 smart solar projects worth Rs 204 crore have been completed under the Mission, it said.

The Smart Cities Mission was launched on June 25, 2015. The first list of 20 cities announced on January 28, 2016. The fast tracklist of 13 cities was announced on May 24, 2016. The second list of 27 cities was announced on September 20, 2016.