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सAMVAAद

QUARTERLY NEWSLETTER OF IBS GURGAON | FOR PRIVATE CIRCULATION ONLY

BANKING SECTOR REFORMS

CONTENTS

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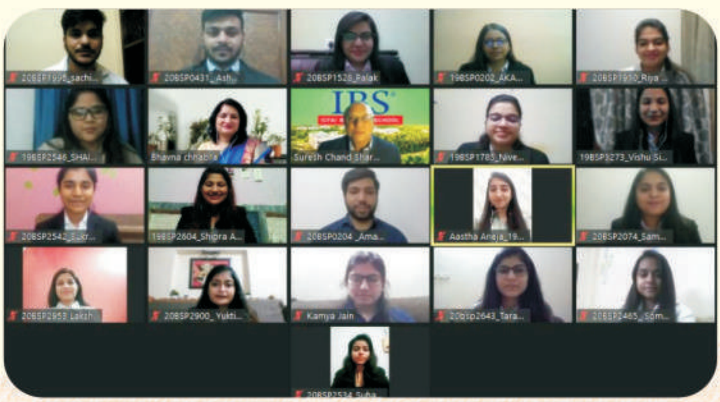

Team Samvaad

FROM THE CHIEF EDITOR'S DESK

During the last seven years Samvaad has actively engaged, without any interruption, with the students, alumni and faculty on the contemporary and emerging issues faced by the businesses, regulators, governments and global leaders.

The present issue of Samvaad focusses on the theme of Banking Sector Reforms in India. During the last over 50 years, banking sector has passed through several phases, beginning with bank nationalization in 1969, followed by opening up of the economy in 1991 which brought in its wake many private sector banks and then the current phase when banks bore the brunt of massive events like global financial crisis and once in life time adversity brought by Covid-19. Put together, they exposed the major weaknesses of banking sector and pushed it to unprecedented crisis.

The decline in the performance of the banks has been chronic and structural, for over two decades. In the recent years, credit growth has slowed down significantly thereby blunting the effectiveness of monetary and credit policies in reviving economic growth particularly during the pandemic period.

The Chief Economist of IMF in a recent interview (27th January 2021, ET) has forecasted that "India may not hit precovid-19 growth level before 2025." She continued, "If there is a rise in non-performing loans as RBI has projected, there could be an impact on banks and NBFCs. That could be a big negative."

What led to this situation? Bank nationalization was projected by policy makers as a revolutionary reform of monumental importance (some view it as more important than 1991 reforms) which should have transformed the rural economy, galvanized the small and medium industries, accelerated growth rate, reduced economic inequalities, diminished regional imbalances and positively impacted every aspect of life. Many may argue even today that a large chunk of those dreams have been realized. Others feel that truth is something contrary to that. Very high and growing volumes of non-performing assets of banks have eroded their net worth, severely curtailed their ability to lend and adversely affected their image in the eyes of common citizenry. In contrast, some of the private sector banks (HDFC Bank) which came in late 1990s have grown in to gigantic institutions, comparable to the best in the world on all counts.

Many committees set up by RBI and government have examined the causes of present plight of public sector banks. Parliamentary standing committee of Ministry of Finance (Moily Committee) has brought out that PSBs deplorable state is on account of the fact that some powers available to the RBI under the Banking Regulation Act, 1949 in respect of private sector banks are not available in the case of PSBs. These include: (i) removing and appointing Chairman and Managing Director of banks, (ii) superseding the Board of Directors, and (iii) granting licenses.

This conclusion has also been supported by the RBI appointed P J Nayak committee. Some of the most blatant observations of the committee are reproduced below.

"It is unclear that the boards of most of these banks have the required sense of purpose, in terms of their focus on business strategy and risk management, in being able to provide oversight to steer the banks through their present difficult position. The boards are disempowered and the selection process for directors is increasingly compromised. Board governance is consequently weak...

The onus of remedying this situation through radical reform lies primarily with the Central Government. In the absence of such reform, or if reform is piecemeal and non-substantive, it is unlikely that there will be material improvement in the governance of these banks. This could impede the Government's objective of fiscal consolidation. The fiscal cost of inadequate reform will therefore be steep...

The high leverage that banks operate under makes banking a riskier commercial activity than most non-financial business. Unless banks are extremely well run and with a strong focus on financial returns, they tend to falter. The Central Government is a good example of a bank shareholder which has suffered deeply negative returns over decades. It is therefore in the Government's own interest to provide clarity in the objectives set for bank boards, and to thereby improve governance and management."

The Nayak committee also suggested solutions which is summarized below.

"Given the lower productivity, steep erosion in asset quality and demonstrated absence of competitiveness of public sector banks over varying time periods (as evidenced by inferior financial parameters, accelerating stressed assets and declining market share), the recapitalization of these banks will impose significant fiscal costs. If the governance of these banks continues as at present, this will impede fiscal consolidation, affect fiscal stability and eventually impinge on the Government's solvency. Consequently, the Government has two options: either to privatize these banks or allow their future solvency to be subject to market competition, including through merger; or to design a radically new governance structure for these banks which would better ensure their ability to compete successfully, in order that repeated claims for capital support from the Government, unconnected with market return, is avoided."

How far these recommendations have been implemented is best left to the imagination of the readers.

Yet another challenge faced by banks originates in their connectedness with Non-Banking Financial companies like the failed institutions such as ILFS, DHFL, etc. This has given rise to the possibility of systemic risk to financial stability of the banking system and the country as well. The inter-connectedness exposes the banks to huge risk if they provide large amount of financial resources to NBFCs which are essentially engaged in wholesale financing supported by retail deposits mobilized through banks. RBI discussion paper on Revised Regulatory Framework for NBFCs (January 2021) reveals that NBFCs now obtain more than 50% of their funding from banks.

Finally, the process of capital infusion in banks through tax payer money, year after year, cannot continue indefinitely. During 2013-14 and 2019-2020 government has infused Rs. 3.5 lakh crores in PSU banks. Comptroller and Audit General of India has sought information from the Ministry of Finance and RBI to analyze the impact of capital infusion in PSBs and how it has been able to improve the strategic financial parameters of banks such as return on assets, return on equity, rate of growth of bank credit and capital mobilized by banks from the markets to strengthen their capital base.

Thus, challenges before the public sector banks are really formidable and knee- jerk solutions will not work. Long term strategy supported by well thought out action is called for from Government and RBI.

*****I wish the readers of Samvaad a Happy and Prosperous New Year 2021*****

Prof. S. C. Sharma
Director, IBS Gurgaon

FROM THE MANAGING EDITOR'S DESK

The present issue of Samvaad is on the theme of 'Banking Sector Reforms in India - Issues, Challenges and the way Forward'. The objective of Banking Sector Reforms is to make Indian banks internationally competitive, to bring structural change in the Indian banking system, to enhance solvency, liquidity, stability, to increase efficiency and to remove the operational rigidity of the Indian Banks. In India for building an efficient, competitive and stable financial sector, the banking sector was reformed largely through measures of restructuring, recapitalization, technological advancement, customer orientation, privatization and inclusion of the new payment banks. Banks with liberalization from government controls and with strict compliances became more responsible and accountable for their decisions to lend and control the loans. Laws like IBC (Insolvency and Bankruptcy Code) with fast adjudication process enabled banks to recover their dues at the earliest and made the borrowers accountable for the use of loaned funds. Market determined borrowing-lending rates enabled them to manage their asset- liabilities for managing their financial risk along with operational risk. Increased investment by the government for meeting their capital requirements and adoption of Basel-III norms for higher competitiveness and sustainable growth for public sector banks are the major reforms done so far in the banking sector. There is a surge in the growth of the digitalization, banks are launching many digital products and transactions have become online through UPI, RTGS and IMPS. Restructuring of banks is one of the major reforms required in the present time to achieve the scale economies.

Another reform in banking could be witnessed through by Kamath Committee Report during the pandemic. It is another expert panel appointed by the RBI under the chairmanship of Mr K. V. Kamath.

The committee submitted its report on a resolution framework for stressed assets across various sectors which were hit by the COVID-19 pandemic. The Committee recommended financial ratios for 26 sectors that lending institutions can follow while forming a resolution framework. The Committee has recommended financial parameters that include aspects related to operations, leverage, liquidity and debt serviceability. Contrary to this, when Supreme Court banned IBC till March 2021, RBI was not in the favor of this decision. In response to this, RBI gave solution based on the Kamath Committee report to deal with sector-specific covid hit cases rather than a blanket solution for all. As per RBI, the loan moratorium extension will have a devastating impact on the process of credit creation in the economy. It will hamper the credit discipline and borrowers will take undue liberty of it. On the other side, it will also impact the profitability of the banks and it will incur additional operating expenses for them. Ban on IBC will suit only the corporate borrowers and will not benefit the MSME and small scale borrowers. For the small scale borrowers, RBI has already set in several measures to subdue the impact of COVID-19.

During the last quarter, IBS Gurgaon organized many academic and extracurricular events and activities, such as- panel discussions, workshops, guest lectures, placement and summer internship processes, series of knowledge sharing session by Alumni, various competitions and festive celebrations through Zoom platform. Students participated in all activities with full energy, zeal and enthusiasm. Samvaad comprises proficient opinions of our experienced faculty members on the theme, besides the regular columns of Campus Buzz, Faculty Forum, Students Article, Celebrity Watch, Alumni Success Story and Book Review. I am happy to announce that Samvaad is now also available through e-version. My heartfelt thanks to the Student team of Samvaad Cell, Batch of 2021 & Batch of 2022 for their hard work and valuable contribution for bringing out this issue of Samvaad I am sure you will find it informative and interesting.

I wish the readers of Samvaad a Happy New Year

Happy Reading Samvaad !!

For any kind of feedback or suggestions, please contact at bhavna.chhabra@ibsindia.org**

Dr Bhavna Chhabra

Managing Editor, Samvaad

ASSOCIATE EDITOR

Prof. Navneet Saxena
Faculty, IBS Gurgaon

Globally, the concept of financial stability has been evolving over time. The concept of financial stability entails preserving and nurturing a well-functioning financial architecture which includes all financial institutions along with a secure payment and settlement system. This idea of financial stability moulded the Reserve Bank's approach during the pandemic, which was more challenging than previous crises, impacting both the real and financial sector with great severity.

The RBI has formed a Working group on digital lending including lending through online platforms and mobile apps. The Fintech led innovation which started from a peripheral supporting role, is now at the core of the design, pricing and delivery of financial products and services. The recent increase in usage and popularity of these online lending platforms/ mobile lending apps has raised serious concerns with systemic challenges. The working group would therefore evaluate digital lending activities and assess the penetration and standards of outsourced digital lending activities in RBI regulated entities.

Similarly, RBI has introduced the Legal Entity Identifier for large value transactions in Centralised payment systems. RBI has also launched a Digital Payments Index (DPI) to capture the depth of digitisation of payment across the country. The parameters that will be used to measure this are payment enablers, payment infrastructure – demand-side factors, payment infrastructure – supply-side factors, payment performance and consumer centricity.

The recent Trend and Progress of Banking report of RBI indicates a resilient banking sector aided by enabling policy measures from the Government and RBI. With the end of the moratorium period and the possible lifting of asset quality standstill clause, the health of the banking sector may come under pressure.

Our financial system faces both challenging times and new opportunities as the Indian economy returns to full vitality. We need to support economic revival and growth and we need to preserve financial stability.

FACULTY ARTICLES

Banking Sector Reforms

Prof. Umesh Kalra
Adjunct Faculty, IBS Gurgaon

1. *What is a reform?* In the layman's words, it is the improvement or structural change in a social or economic institution as per requirement of the circumstances or it is to change the system itself. Of course, reform is a continuous process. It is a stepping stone to development and progress in and of all aspects, social, economic, political etc. of the economy. Sometimes, however, even development necessitates reforms. The fact is, both reinforce, supplement and compliment each other.

2. Sound financial system, both money and capital market, are heart of the economy as adequate availability of credit acts as a lubricant to the economic growth. There is no gainsaying the fact that a robust banking system plays a crucial role in capital accumulation, its mobilization and allocaton. Even a small structural change in the sector influence the way the economy functions. One also cannot undermine the fact that the capital formation plays a crucial role in ensuring economic development, however, a strong financial sector is the pre requirement.

3. India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Indian banks are generally resilient and have withstood the global downturn well. Then what ails our banking sector? Public sector banks faced the liquidity crisis just before the pandemic because of ever increasing GNPAs, which is among highest in the world, and loss of confidence in the mutual funds market. The ratio of GNPAs to total assets was 8.3 per cent for the overall banking system and close to 10 per cent for government-owned public sector banks.

By March 2020, bank credit growth had fallen to 6.14 per cent — the lowest in about six decades. While the stress in the banking sector has been increasing, India's GDP growth rate has been declining since 2015–16 which fell from 6.1 per cent in 2018–19 to 4.2 per cent in 2019–20, the lowest since 2008–09.

4. *There has been something fundamentally wrong.* What is required is more widespread, holistic, all inclusive structural reforms to be directed towards policy framework, financial health and institutional framework, to make their fundamentals not only strong but also flexible. However, it is not to say that nothing has been and is being done in this direction. *In view of the domestic and global liberalisation, banking sector reforms has become a necessity. So, steps have been initiated on the basis of recommendations of various committees like Narasimhan Committee (1991), Verma Committee (1996), and then second Narasimhan Committee (1998).*

5. Reforms in the real sense of term, started from 1969 when 14 private sector large banks were socialised followed by 6 more in 1980 with a view to expand their reach to the country side. The results were spectacular. The share of bank deposits to GDP rose from 13% in 1969 to 38% in 1991 and accounted for 90% of the entire banking sector. The gross savings rate rose from 12.8% in 1969 to 21.7% in 1990. The share of advances to GDP rose from 10% in 1969 to 25% in 1991. With a view to strengthen the liquidity position and also to save the distressed banks, Reserve Bank followed the exercise of merger and acqusition. New Bank of India was merged with profitable Punjab National Bank in 1993. To boost national presence along with their global reach and to achieve the target of $ 5 trillion economy by 2024, Banks Consolidation Plan started. Our banking system now consists of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks and 96,000 rural cooperative banks in addition to cooperative credit institutions. As of July, 2020, the total number of ATMs (Automatic Teller Machines) in India increased to 2, 09,989 and is further expected to increase to 4,07,000 by 2021. During 2016-20, deposits grew at a CAGR(Compound Annual Growth Rate) of 6.81% and reached US$ 1.90 trillion by the end of 2020.

6. Policy reforms have been initiated to reduce reserve ratios, deregulate interest rates, widen the scope of lending to priority sector viz., agriculture and MSMEs. *The very foundation is being strengthened through technological upgradation and human resource development. RBI has also issued prudential norms to ensure financial safety, soundness and solvency of banks. The results are positive and encouraging.*

7.The banking industry has recently witnessed innovative banking models like payments and small finance banks. The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS). The advancement in technology has brought mobile and internet banking services to the fore. Greater emphasis is on providing improved services to their clients and upgrading their technology infrastructure.

8. Very recently, on 12th June, 2020, RBI constituted Internal Working Group (IWG) to suggest measures to convert big Non Banking Financial Companies (NBFCs or shadow bankers)into banks with a view to not only make monetary policy more effective but to also increase the reach of the money market institutions to more people in view of their very prominent role in promoting investment.

9. Though the government is seriously concerned on the structural reforms in the banking sector. However, the operational efficiency of the banks needs to be improved through automation tools, performance budgeting and monitoring, enabling them to handle more transactions and greater volumes of activity with the same number of personnel. It is important to recognize that long-term efficiency is impossible to achieve without a corporate culture. Skill development, keeping in view the market requirements, should be a continous affair and better would be the criteria of performance linked salary. It is suggested that some space is to be given to the banks by reducing the government's ownership level. Whether the dual control of these banks (share holding by the GoI and supervision by RBI) is a healthy practice?

10. On the future front, the plans are afoot on the part of the government to lay more thrust on infrastructure projects and also ensuring their speedy impementation. It is, therefore, for certain that banking sector is poised for a robust growth as rapidly growing businesses will turn to banks for their credit needs. Now it will be for the banks to meet that challenge to ensure running of engine of growth on the rails.

"Banking Licences for Big Businesses"

Dr. Rakhi Singh
Adjunct Faculty, IBS Gurgaon

RBI has been known as a conservative regulator. This conservatism is most visible in regard to its approach to private banks and their ownership. Who can open a bank, how much capital is required to open a bank, what would be the ownership structure, how many bank licenses would be issued in a year, which areas the new banks would be allowed to service are some of the issues that the RBI has been particularly strict about? Industrial houses have been kept away as promoters of banks to avoid the potential of conflict of interest.

Incidentally, this approach of the RBI, towards private banks, is backed by several banking experts too. They concur that it may not be possible to ring-fence the non-financial activities of promoters and the resultant corporate governance challenges.

The Reserve Bank of India had constituted an Internal Working Group (IWG) to review extant ownership guidelines and corporate structure for Indian private sector banks. It has recently come out with its recommendations which have been released in the public domain for comments of stakeholders and members of the public.

The key recommendations of the IWG are as follows:

- The cap on promoters' stake may be raised to 26 percent of the paid-up voting equity share capital and a uniform cap of 15 percent on non-promoter shareholding.
  Large corporate/industrial houses may be allowed as promoters of banks only after
  - Necessary amendments to the Banking Regulation Act, 1949.
  - Strengthening of the supervisory mechanism for large conglomerates, including consolidated supervision.
- Large Non-banking Financial Companies (NBFCs), meeting specified criteria, may be considered for conversion into banks.
- The minimum initial capital requirement for licensing new banks should be enhanced to Rs. 1000 crore.
- Reserve Bank to ensure harmonization and uniformity in different licensing guidelines, to the extent possible.

It is clear from the above that the recommendations are a significant departure from RBIs earlier stance on ownership. IWG recommendations come after reviewing of international scenario and prompt the RBI to allow industrial houses, which meet the fit and proper criteria, to own banks. It addresses the current incongruence in rules wherein industrial houses are allowed to set up NBFCs but are not allowed to own banks. Increasing the maximum permissible holding to 26 percent also reduces the gap vis-à-vis FIIs who are allowed to hold 74 percent in banks. Recommendations of the IWG appear pragmatic and clear-headed. These would help in addressing the future needs of the growing economy.

Emergence of Indian Banking out of Pandemic led VUCA

Prof. R.K. Anand
Visiting Faculty, IBS Gurgaon

The emerging scenario for the Banks in India may be cast in the backdrop of RBI comments, in the Financial Stability Report January 2021 i.e. "Reviving the twin engines of consumption and investment while being vigilant about spillovers from global financial markets remains a critical challenge going forward." Going forward, we may thus look upon the Banking Sector as a catalyst for the desired economic growth contrasted with the post-pandemic challenges it is saddled with.

According to the report, under the baseline scenario: Gross NPA ratios for public sector banks may increase to 13.2 percent by September 2020 from 12.7 percent in September 2019. For private banks, gross bad loans may rise to 4.2 percent from 3.9 percent; for foreign banks, the gross NPAs may increase to 3.1 percent from 2.9 percent. We may estimate that the share of large corporate borrowers may see the highest contribution to the slippage.

In the light of the above Capital Adequacy Ratio of the banks, they may get pulled down, especially the Public Sector Banks. The Provisions for the NPAs may see further hikes. This is the expected outcome i.e. VUCA (volatility, uncertainty, complexity, and ambiguity) inflicted by the pandemic. Responding to the scenario we may put that while it is true that NPAs may rise yet the higher Provision Coverage Ratio adds to a bit of confidence. Capital Adequacy Ratio for the pool of PSBs may remain above the minimum CRAR yet individually three-four such banks are likely to miss the threshold level. PCAs may thus come back for them from the RBI.

In light of the extraordinary situation as narrated above on our hands, the following factors may bring resilience in the Banking Sector as usual by way of reforms. These may include more consolidation, development of the market for the sale of weak assets to ARCs, securitization of the well-performing loan portfolio for fueling the fresh credit growth and directional change in direction of credit, Banking Investment Holding Cos., Bad Bank & Restructuring under the Govt. of India and RBI program, New Credit Guarantees to support the fresh credit to cash weak sectors and also the strong moves for strengthening the Corporate Governance. The list may go on however the resolution lies in execution which earlier than the earliest is better. In the end, Depositors and Investors may remain assured that going by the events in the past they may remain protected by the timely response and intervention of GOI and RBI to bail them out.

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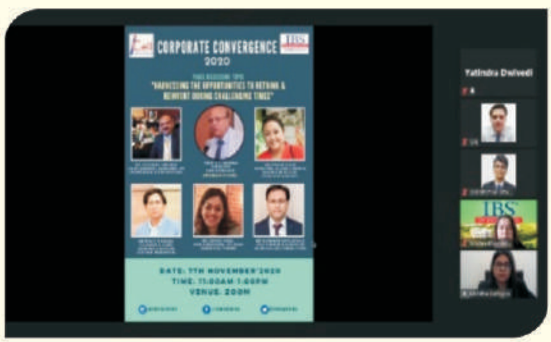
CAMPUS BUZZ

Corporate Convergence 6.0

Corporate Convergence 6.0, the annual summer internship guides' meet was organized by the Internship Cell of IBS Gurgaon on 7th November, 2020. This annual event provides a forum for industry academia interaction. The highlight of the program this year was a panel discussion on the topic 'Harnessing the Opportunities to Rethink and Reinvent during Challenging Times'. The discussion was chaired and moderated by Prof. S.C. Sharma, Director, IBS Gurgaon. The esteemed panelists for the day were Mr. Yatindra Dwivedi, Chief General Manager-HR at Powergrid Corporation, Ms. Param Kaur, Director- Global People Shared Services at Publicis Sapient, Mr. Punit Modhgil, Founder and Chief Research Officer at Octane Research, Ms. Sonam Kabli, DGM and Regional HR Head at American Tower, Mr. Maneesh Srivastava, Co-Founder and Director at Alphavalue Consulting along with Dr. Anupama D. Raina, Deputy Director - Placements, IBS Gurgaon, Dr. Shalini Khandelwal, Dean-Academics and SIP Coordinator, IBS Gurgaon and Prof. R. Venkataraman, Dean-Examinations, IBS Gurgaon. The event began with a prayer ceremony. Prof. Shalini Khandelwal highlighted the theme of panel discussion and introduced the panelists to the audience.

Prof. S.C. Sharma welcomed the guests and talked about the importance of Summer Internship in the lives of PGPM students. Mr. Dwivedi talked about the effect of the pandemic on the employers and their employees. Mr. Modhgil spoke on the transition from pre-covid state to the new normal with the help of technology. Ms. Sonam Kabli talked about the role of Social Media in the pandemic. Ms. Kaur talked about the Digital Revolution and its impact on business, economic, social, structural and human aspects. Mr. Srivastava promoted the positive aspects of the pandemic and how to cope up with the challenge brought by it. Dr. Raina brought out the importance of a leader in the challenging times. Prof. Venkataraman guided the students to overcome the challenging times and gave exceptional tips to them. The panel discussion was followed by an award ceremony where students who outshined and performed excellently during the Summer Internship 2020 and their faculty guides were awarded with e-certificates. Subsequently, the students of Class of 2021 shared their SIP experience with the audience. The event was attended by 28 corporate guests along with faculty members, placement team, students and staff members of IBS Gurgaon. The program concluded with a vote of thanks by Prof. Vineeta Jha.

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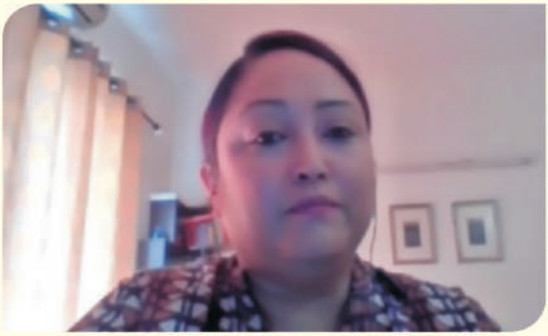

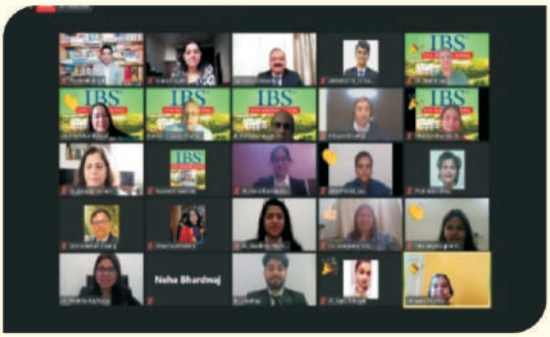
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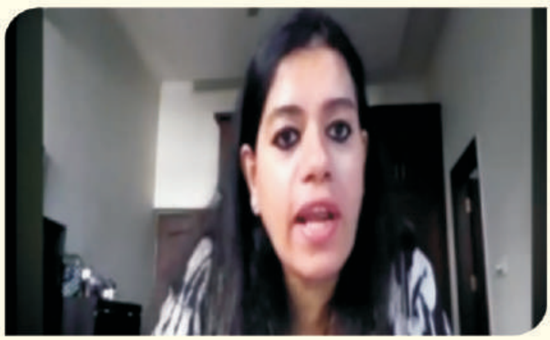


Electives Briefing for the Class of 2022

Electives briefings were organized by IBS Gurgaon on 21st December, 2020 and 24th December, 2020 to enlighten the batch of 2020-22 about the various electives available to the students for Semester- III and IV. Prof. S.C. Sharma, Director, IBS Gurgaon, graced the occasion with his presence. All the faculty members guided the students regarding the choices, benefits and career prospects of various electives.

Student Council Events

Rangmanch Khoj Kalakaar ki The Annual Cultural Fiesta 2020

Rangmanch, the Annual Cultural Fiesta, the most awaited event, was organized on 23rd and 30th October, 2020 by Students' Council at a PAN India level, to bring the joy of wonderland and experience of colours of culture through these spirited series of events revolving around music, dance, fashion, and drama.

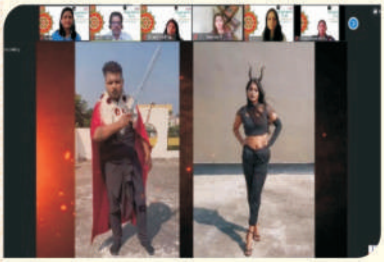
The event had a perfect blend of fun and learning with various clubs organizing different enjoyable activities. The main highlights of the event were the Fashion show and the Instrumental round of the competition. The event filled the positive energy in students with fun, dance, and music.

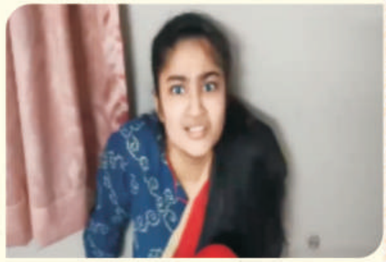
The event was inaugurated by Prof. S.C. Sharma, Director, IBS Gurgaon. The event organized by the different clubs included- Dramebaaz (Navrang Club), Eight Counts (Twirlers Club), Panache (Fashionista Club), Euphony (YouthVibe Club). The events were an opportunity for students to showcase their talent in areas such as Dance, Music, Drama, Fashion, and Singing, and to win great prizes.

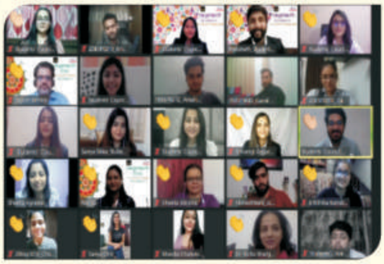
On 23rd October, 2020 the first event was Dramebaaz organized by Navrang Club, which was an opportunity to enhance the Expression, Body Language, and Speaking skills of the students. Judges for this event were Prof. Shweta Sikoria, Dr. Nidhi Tak, and Dr. Shalini Khandelwal. The event considered two rounds, the first one was a preliminary round where over vast number of entries from different colleges participated. After clearing this round, the videos of the shortlisted participants were presented on the event day. The top four participants presented live performances. The judgment criteria for the final round were Script, Costume, Delivery, Expression, and Audience Connect.

The second event was Eight Counts organized by Twirlers Club, which was conducted so that students get a chance of grooving on the dance floor to their favourite tunes. Judges for this event were Prof. Shweta

Agarwal and Dr. Richa Bhargava. Participants were asked to send their dance videos for the preliminary round. Videos of the top 40 participants were shortlisted after the prelims round, videos were played for the final judgment on the day of the event. The judgment criteria were Choreography, Energy level, Costume, Rhythm, and Expressions.







Clubs@IBS- Coordinated by Students' Council

The Econox Club of Students' Council organized an event 'Fortune Rush' on 20th November, 2020 to test the current affairs skills of the participants and to provide an adventurous ride through this year's economics episode. The event comprised of three rounds, the first two rounds (Ecoholics and Wordly) were elimination rounds and, the third round (Real time) was the final result round which declared four winners of the event. The event was coordinated by Dr. Ranika Chaudhary. The fun and interactive event made the wait for the next event worthwhile.

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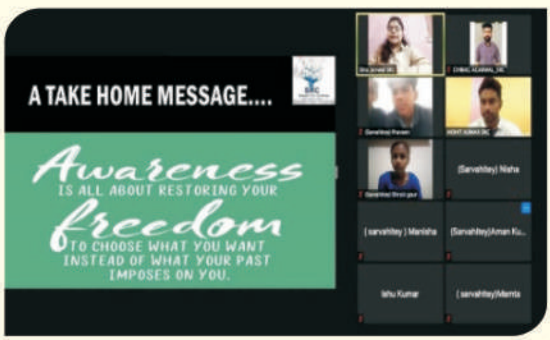
The Markit Club of Students' Council organized a marketing competition 'INCENDO' on 18th December, 2020. The event was held in the presence of Dr. Vikram Sharma, Dr.Ranjita Gupta, and Prof. Vineeta Jha. There were three rounds in the competition- Unfilled, Uniquish, Antique-Affair and all were designed to test the brand and marketing knowledge of students. The competition was very exciting and enthusiastic and three winners were announced at the end. The event ended with overwhelming participation from the students.

SRC Events

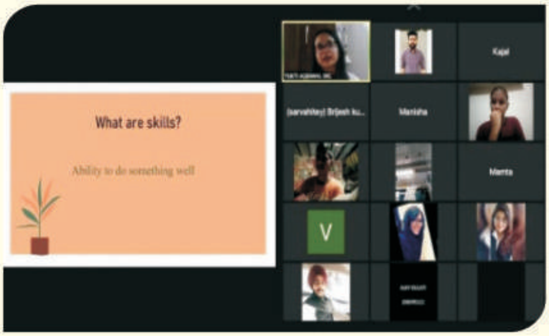
Session on 'Self-Awareness'

The Social Responsibility Cell of IBS Gurgaon organized an event on 17thOctober, 2020 where the cell collaborated with 'Sarvahitey', a Non-Governmental Organization to contribute towards the Welfare program for the underprivileged children. The session was aimed at teaching the importance of being self-aware by giving real-life examples. The session played a significant role in helping them improve their judgement, personal growth, and professional growth. The session ended on a positive note: "All your dreams can come true if you dare to pursue them".



Session on 'Skill Development'

The Social Responsibility cell of IBS Gurgaon organized a session on 'Skill Development' for underprivileged children of 'Sarvahitey', a Non-Governmental Organization on 23rdOctober, 2020. The concluding session taught the children the importance of time, and to prioritize it to achieve their goals faster, and to take on every opportunity that comes their way to grow sustainably. The session ended with fun activities and positive quotes. The sessions were fun and knowledgeable at the same time.



Session on 'Awareness about Animal Abuse'

The Social Responsibility cell of IBS Gurgaon organized a Digital campaign to spread awareness regarding 'Animal Abuse' on 2ndNovember, 2020. The session included discussions on various causes and effects of animal abuse. The session concluded, "A good deed done to an animal is as meritorious as a good deed done to a human being, while an act of cruelty to an animal is as bad as an act of cruelty to a human being".

Session on 'Awareness about Air Pollution'

The Social Responsibility cell of IBS Gurgaon organized a Digital campaign on 26thNovember, 2020 to raise awareness about 'Air Pollution'. The campaign discussed several causes, facts, and effects using posters and quizzes. The session provided a different approach to the problems. the session concluded on the note "Air pollution is not only humanity's treason to humanity but also a treason to all other living creatures on earth!"

Ninth N.J. Yasaswy Commemorative Lecture

IBAC Cell of IBS Gurgaon organized a commemorative lecture to pay tribute to the Founder of the ICFAI group and an eminent personality, Late Prof. N.J. Yasaswy (1950-2011) on 21st November, 2020. Prof. Dheeraj Sharma, Director, IIM Rohtak was invited as the Chief Guest to deliver the memorial lecture. Prof. R Venkataraman, Dean Examinations & IBAC Cell Coordinator welcomed the audience. A very inspiring and heartfelt video was played to pay tribute to Prof. Yasaswy. Dr. Anupama D. Raina paid her tribute to Sir and shared the journey of the ICFAI group. She also shared her experience of meeting Prof. Yasaswy and how he inspired her.

Prof. S.C. Sharma, Director, IBS Gurgaon welcomed the guests and remembered the great man that Prof. Yasaswy was. He highlighted the personal aspects of Prof. Yasaswy, his initiative to transform the education system and motivated the students to imbibe his virtues. He takes great inspiration and strives to carry the legacy that Prof. Yasaswy has left behind. He highlighted the view of Prof. Yasaswy which states "It is not important what you are teaching, but it is essential how you are teaching". Thus, he introduced the Case based Study methodology which is religiously followed by IBS.

The Chief Guest, Prof. Dheeraj Sharma talks about 'How Media Shapes Our Society'. He describes two ways in which we evaluate ourselves i.e. material evaluation and non-material evaluation. He explains how media does not portray a true picture that badly affects society, especially the youth. He advises the students to form their opinions after reading and understanding the matter at hand well. The session concluded with a vote of thanks by Prof. R Venkataraman, Dean Examinations, IBS Gurgaon.

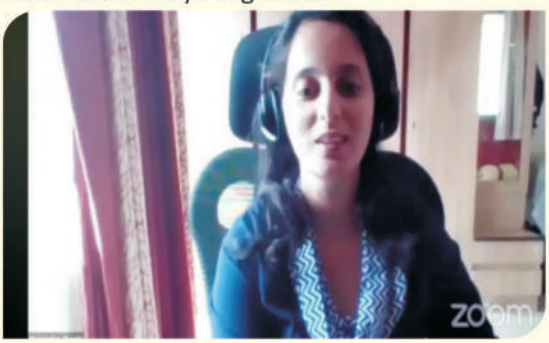
Interactive session on 'Succeeding Again and Again'

The IBAC Cell of IBS Gurgaon organised an interactive session on 20thOctober, 2020 in the presence of Prof. S.C Sharma. The Guest speaker of the day was Mr. K Vaitheeswaran, Co-Founder, Again Foods on 'Succeeding again and again'. He enlightened the students by sharing his own experiences and stories. Mr. K. Vaitheeswaran focused on grabbing all the opportunities and why being a salesperson is important to be a good marketer. The session was followed by question-and-answer round. The session came to an end with Prof. S.C Sharma addressing students to work hard.

Mr. K. Vaitheeswaran
Co- Founder, Again Foods

Interactive Session on 'State of Indian Economy and Road to Prosperity'

IBAC Cell organized a guest lecture by Ms. Rumki Majumdar, Associate Director & Chief Economist, Deloitte, India on 'State of Indian Economy and Road to Prosperity' on 22ndOctober,2020. The entire session focused on 3 major topics – Economic Resilience during Covid-19 transmission, Pre Covid-19 Analysis and, Post Covid-19 Analysis. She also highlighted the various factors determining the pace of economic rebound. The emphasis was also laid on the need for government stimulus to facilitate economic recovery. An interactive question and answer round along with a quiz were held towards the end which enabled the audience to further expand their horizon of knowledge. The session proved to be quite enlightening and informative for young minds.

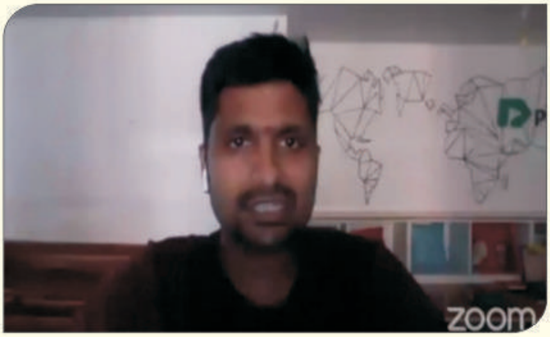


Ms. Rumki Majumdar
Associate Director & Chief Economist, Deloitte

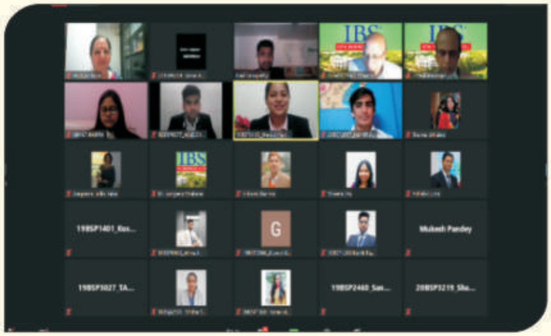
Session via zoom

Interactive Session on 'When Things go Low, we go High'

IBAC Cell of IBS Gurgaon organised a guest lecture by Mr. Hari Ganapathy, Co-Founder & CEO, PickYourTrail.com on 'When Things go Low, we go High' on 27th October, 2020. The guest shared how he managed to succeed in low times and briefed them about his start-up. The session was followed by question and answer round where students got a chance to get more clarity. The session was very useful and informative for the audience.



Mr. Ganapathy
Addressing the audience

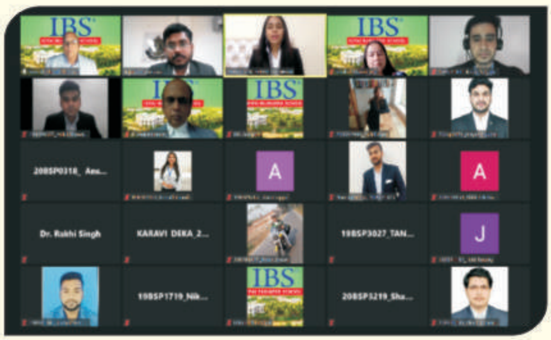


Attentive Audience

Interactive session on 'GST: Impact of it on State Governments'

IBAC Cell of IBS Gurgaon invited Mr. BB Mohapatra, Principal Commissioner GST, Chhattisgarh to conjunct his notion on 'GST: Impact of it on State Governments' on 29thOctober, 2020. He gave detailed information about GST which included Constitutional background, journey, benefits, structure, Stakeholders & roles, GST Council, IT backbone, revenue statistics, and future of GST. The session was very educational and the students were also delighted. The session was accompanied by a question & answer round.

Mr. Mohapatra
Addressing the audience



Attentive Audience

Guest Lecture by Mr. Sanjeev Somasundaram

IBAC Cell of IBS Gurgaon organized a guest lecture by Mr. Sanjeev Somasundaram, Asia Pacific head of Talent Acquisition at Google Operations Center on 3rdNovember, 2020. Prof. S.C. Sharma, Director, IBS Gurgaon, welcomed the guest and talked about the journey of ICFAI. He shared five management principles that he follows: Do things right and do the right things, Build teams and surround yourself with the right people, Control what you can, manage what you don't, Problems don't age well. Fix early, fix quickly, fix properly and Happy and here is the best. But if not, then happy and elsewhere is better than unhappy and here. The guest lecture was followed by a Question and Answer round. The session was very insightful and encouraging for the audience.

Mr. Somasundaram
Addressing the audience

Session via Google Meet

Guest Lecture on 'Understanding the Life Insurance Customer'

IBAC Cell of IBS Gurgaon organized an interactive session on 'Understanding the Life Insurance Customer' by Mr. Pankaj Gupta, CMO & Sr. EVP, HDFC Life on 5thNovember, 2020. He emphasized the need to understand various aspects of the 10 D Framework while designing the business strategy. He even highlighted some of the important facts such as the tremendous rise of market share for private life insurance players from 2% in FY03 to 31.3% in FY20 and the annual growth rate is expected to be around 15% in the future. The entire focus was on 3 aspects of marketing- Brand Pull, Category Pull, and Building potential segment. An interactive question and answer round along with a quiz were held towards the end which enabled the audience to further expand their horizon of knowledge. The session proved to be quite enlightening and informative for young minds.

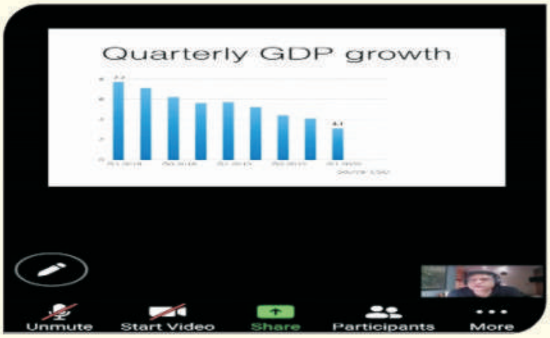
Mr. Pankaj Gupta
CMO & EVP, HDFC Life

Attentive Audience

Guest Lecture on 'The Indian Economy in the Covid Era- and the road ahead'

The IBAC Cell of IBS Gurgaon invited Mr. Niranjan Rajadhyaksha, Research Director (IDFC Institute), Former Executive Editor (Mint) to share his views on the topic 'The Indian Economy in the Covid Era- and the road ahead' on 9thNovember, 2020. The session contained a lot of knowledge about the macro aspects of the Indian economy which got effected by Covid that includes the monthly CPI inflation rates, business resumption index, quarterly GDP growth and opportunities & challenges that arises. The session was illuminating for the students.

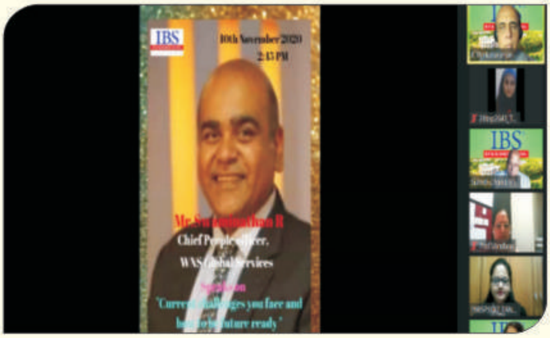
Mr. Niranjan Rajadhyaksha
Research Director, IDFC Institute



Session via Zoom

Guest Lecture on 'Current Challenges you face and how to be future-ready'

The IBAC Cell of IBS Gurgaon organized a guest lecture on 'Current Challenges you face and how to be future-ready' by Mr. Swaminathan R., Chief People Officer, WNS Global Services on 10thNovember, 2020. The guest provided insights into the corporate life, how and what companies look for, the skills required and challenges which one faces while working in a corporate firm. Moreover, he shared some of the tips to face the challenges and how to be future-ready.



Mr. Swaminathan R.
Chief People Officer, WNS Global Services

Mr. Swaminathan R.
addressing the audience

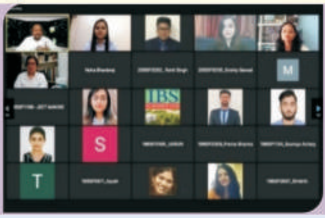
Talk on 'Environmental Issues'

IBAC Cell of IBS Gurgaon invited Mr. Atul Bagai, Country Head, United Nations of Environment Programme to speak on 'Environmental Issues' on 10thDecember, 2020. He stated the environmental issues happening these days and what can be done to resolve them. The session was accompanied by a question & answer round. The event was illuminating and insightful for the students.

Prof. S.C. Sharma
addressing the audience

Mr. Atul Bagai
Talking about the environmental issues

CAMPUS ENGAGEMENT PROGRAM-PLACEMENT CELL

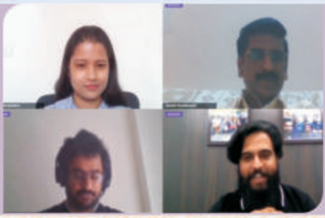


Mr. Sumesh Khatua,Associate Vice President on 'Roll into the world of Gamification' on 10th October, 2020 organized by Ms. Sonia Maini.

Mr. Vikram Wadhawan, Founder and CEO, Vasitum on 'How to prepare yourself for hiring in the new normal' on 12th October, 2020 organized by Ms. Archana Menon.

Mr. Saurabh Khandelwal, Senior Manager- Underwriting and Claims- EPOCH Insurance Brokers on 'Insurance: Scope after Pandemic' on 13th October, 2020.

Mr. Anmol Arora, CEO, DocVita, on 'Opportunities for the youth in the virtual healthcare segment' on 15th October, 2020 organized by Ms. Archana Menon.



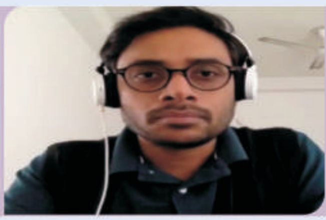
Mr. Ganesh K, Senior General Manager, Tirumala Milk Products and Aswin Prasad, Deputy General Manager, The Hershey with Prarabdh Mishra, VP, Business development and Customer Service, Bizom on 'Company Amplifying Sales Growth and Profitability Through Gamification' on 16th October, 2020 coordinated by Ms. Archana Menon.

Mr. Teja Gudluru, Founder & CEO at UDo- now on 'How to get started working freelancing from Home' on 19th October, 2020 organized by Ms. Archana Menon.

Mr. Ambud Sharma, Founder, Escaro Royale on 'The Secrets of Low-Cost Solopreneur Ship' on 21st October, 2020.

Mr. Sajal Gupta, Vice President- Digital Buying, Publicis Media on 'Digital Media- An Overview-The Industry and Placements Perspective' on 28th October, 2020 organized by Ms. Archana Menon.

Ms. Sonam Kabli, Deputy General Manager, Regional HR Head, North & Central India, American Tower on Tips on 'How to handle Virtual Interviews' on 31stOctober, 2020 organized by Ms. Archana Menon.



Mr. Shubhanshu Bansal, Business Innovation Professional on 'The World of Work' on 19th November, 2020 organized by Ms. Archana Menon.

Mr. Atul Shukla, Vice President - JPMorgan Chase on 'Banking Industry-Opportunities and Expectations' on 22nd November, 2020.

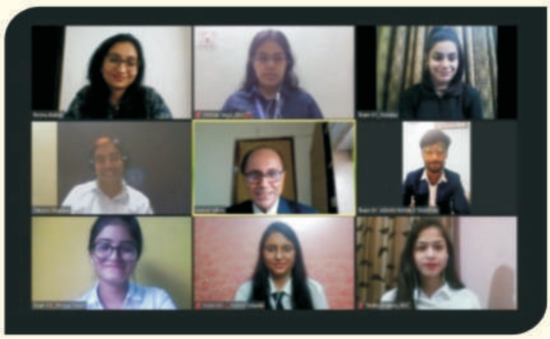
Entrepreneurship Development Cell

Business Plan Competition

The Entrepreneurship Development Cell of IBS Gurgaon organized the 'Business Plan Competition' on 5th and 6th November, 2020 under the guidance of Prof. Vikram Sharma. It was a PAN India level competition where 84 teams registered and participated including teams from major IIMs, Symbiosis Institute of Management, Christ University, JIMS, Surena University (Bangalore), Amity, and NDIM. The goal of the Business Plan Competition was to provide an opportunity to learn about entrepreneurship. The event was inaugurated by Prof. S.C Sharma, Director, IBS Gurgaon. He enlightened the audience by highlighting the importance of Entrepreneurship accompanied by Dr. Anupama Raina, Deputy Director, Placements, Dr. Shalini Khandelwal, Dean Academics. All the other faculty members were present in the inaugural ceremony.

Major business plans by the participants were on Innovative products and services, Social welfare, Women's safety, etc. It was very difficult for the panellist to choose the winners. Hence after a lot of brainstorming, the panelists came up with the results. The first position was bagged by Simleen Kaur, Jasmita Chopra, and Deepanshu Kansal from Sri Guru Gobind College of Commerce. The 1st runners up were Aditya Mishra and Mohit Rohila from Surana College (Bangalore) and the 2nd runners up were Asees Gulati and Jalmeen Talwar from Sri Guru Gobind College of Commerce. The star performers of the competition were Parth Katyal, Shaurya Pratap, Stuti Agarwal, and Utkarsh Naudiyal from IBS, Gurgaon.

It was wonderful to watch how an inquisitive mind can help you in thinking out of the box and enhance your skillset. It was truly a mesmerizing event.

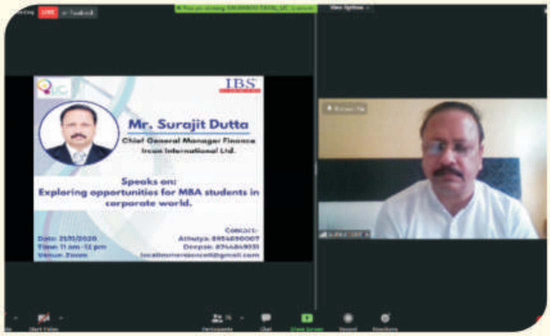


IBS
ICFAI BUSINESS SCHOOL

LOCAL IMMERSION CELL EVENTS

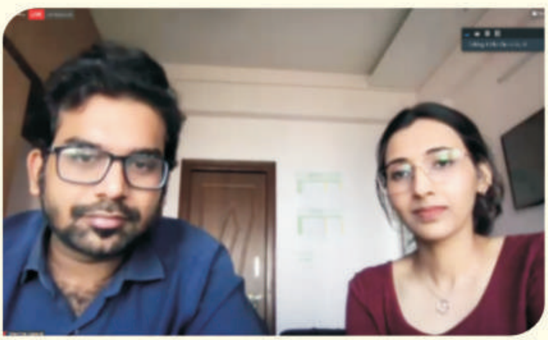
Webinar on 'Exploring opportunities for MBA students in Corporate World'

Local Immersion Cell of IBS Gurgaon organized a webinar on 'Exploring opportunities for MBA students in Corporate World' by Mr. Surajit Dutta, Chief General Manager, Finance Ircon International Ltd. on 21st November, 2020. The session took off with insightful words of Prof. S.C. Sharma, Director, IBS Gurgaon. Mr. Surajit Dutta gave comprehensive information about the current and future status of the industries for job opportunities. The session was further accompanied by a question & answer round. The webinar was informative for the students. The local immersion cell organised this event under guidance of Prof Ekta Rani Chauhan, Prof. Pravash Ghosh and Prof. Mohammad Shariq.

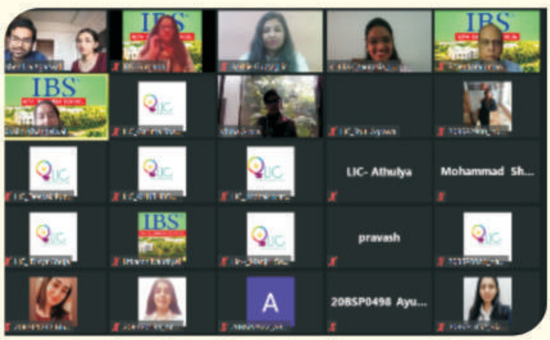


Talk on 'Entrepreneurship- The Secret of Getting Ahead is Getting Started'

Local Immersion Cell of IBS Gurgaon organized a talk on 'Entrepreneurship- The Secret of Getting Ahead is Getting Started' for which Mr. Ishendra Agrawal, Founder, Giva and Ms. Nikita Prasad, Co-founder & Creative Head, Giva were invited on 12th December, 2020. The local immersion cell organised this event under the guidance of Prof Ekta Rani Chauhan, Prof. Pravash Ghosh and Prof. Mohammad Shariq.The session was very knowledgeable for the students.

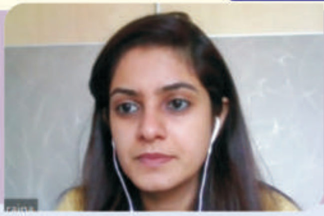


Mr. Ishendra Agarwal
Founder, Giva and
Ms. Nikita Prasad
Co- founder & Creative Head, Giva



Addressing the Audience

GUEST LECTURES @ IBS GURGAON



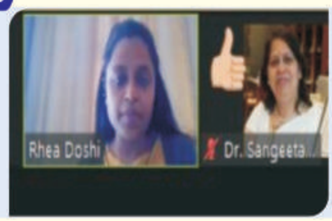
Ms. Namrata Raina, Manager, Human Capital Analytics, Accenture on 'HR Analytics' on 27th November, 2020 organized by Prof. Rupa Rath.

Mr. Sunil Arora on 'Negotiation Skills' on 16th December, 2020 organized by Prof. Monica Bajaj.

Mrs. Saloni Kaul, CEO, India Talent Services on 'Stress Management' on 17th December, 2020 organized by Dr. Sangeeta Shahane.

ALUMNI INTERACTIONS

Ms. Rhea Doshi, Freelancer, on 'Goal Setting for Effective Appraisals' on 19th November, 2020, organized by Dr. Sangeeta Shahane.



FACULTY FORUM

RESEARCH PAPER PUBLICATION

Dr. Sonali Yadav, 'Environmentally Conscious Consumers and Electric Vehicle Adoption Behaviour: Moderating Role of Perceived Economic Benefit', Academy of Marketing Studies Journal, indexed as B in ABDC list of journals.

Dr. Sonali Yadav, 'Can Sustainability Ratings Guide Corporate Control? Debacle over Shareholder versus Stakeholder Theory!', Corporate Ownership and Control Journal, indexed as B in ABDC list of journals, November, 2020

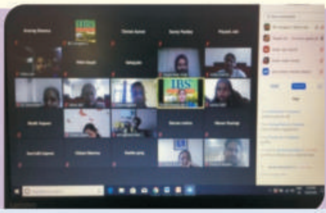
Dr. Tavleen Kaur, 'Panic during Pandemic Covid-19 Pandemic: A Qualitative Investigation into the Psychosocial Experiences of a sample of Indian People', Frontiers in Psychology, Scopus Indexed, Impact Factor 2.03, October, 2020

RESEARCH PAPER PRESENTATION

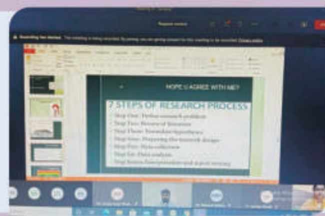
Dr. Tavleen Kaur, 'The New Age Recruitment: Does Personality Impact How Job Seekers Perceive Recruitment Information?', National HR Conference, Lal Bahadur Shastri Institute of Management, Second Prize in Best Paper Category, November, 2020

IBS
ICFAI BUSINESS SCHOOL

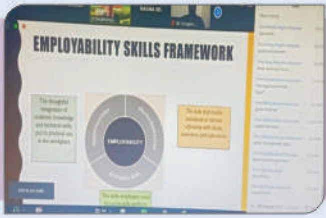
Faculty Knowledge Sharing Programs



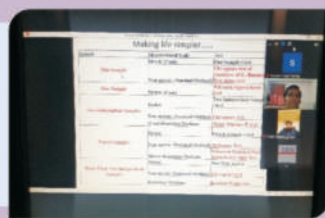
Prof. Shweta Sharma on 'Digital Marketing' at Ideal Institute of Management and Technology,Delhi on 9th October,2020.



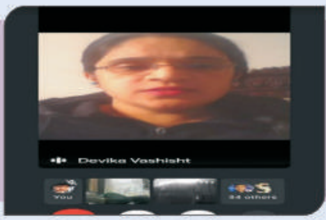
Dr. Sonali Yadav on 'Research Ideas for Problem Solving at Macro & Micro level' at Mangalmay Institute of Engineering & Technology, Greater Noida on 12th October, 2020



Dr.Shubhangini Bhalla on 'Campus to Corporate' at Mangalmay Institute of Engineering & Technology, Greater Noida on 20th October, 2020.



Prof. Pravash Ghosh on'Paradigm Shift in Research and Development' at Oriental University, Indore on 23rd October, 2020.



Dr. Devika Vashisht on 'Research Design-A Conceptual Foundation & Implementation' at Motherhood University, Roorkee on 25th November, 2020.

Dr. Sonali Yadav on 'Data Analysis through SPSS' at Motherhood University, Roorkee on 28th November,2020.

Dr. Vibha Arora on 'Market Research' at Quantum University, Dehradun on 9th October, 2020.

Dr. Nidhi Tak on 'Knowing Yourself, Employability Skills & GDPI' at Jagran College of Arts, Science & Commerce, Kanpur on 10th October, 2020.

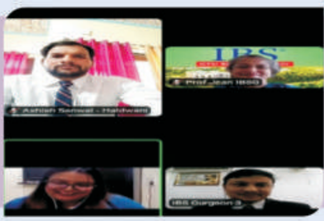
Dr. Shalini Khandelwal & Prof. Neeta Mathur on 'Importance of Soft Skills for Employability' at Pranveer Singh Institute of Technology, Kanpur on 10th October, 2020.

Dr. Monica Bajaj on 'Importance of Soft Skills for Employability' at Sunbeam College for Women, Allahabad on 14th October, 2020.

Prof. R. Venkataraman on 'Effect of Covid -19 on the Indian Economy and the Entrepreneurship Skills Required to Cope Up with it' at GRD Institute of Technology & Management, Dehradun on 19th October, 2020.

Prof. Abdul Aziz Seyid on'Entrepreneurship Skills' at Ashoka Institute of Technology and Management, Allahabad on 21st October, 2020.

Dr. Vikram Sharma on'Entrepreneurship Skills' at Nagaji Institute of Technology and Management, Vikrant Institute of Technology and Management and Kamla Raja Girls College, Gwalior on 28th October, 2020.



Prof. Jean Saldanha on 'Conversation Skills-The Art of Communication' at Surajmal Agarwal Private Kanya Mahavidyalaya on 28th October, 2020.

Prof.Umesh Kalra on 'Economic Journey Since Covid-19 Period' at Avadh Girls Degree College, Lucknow on 30th October, 2020.

Dr. Anupama D Raina &Dr. Vikram Sharma on 'Campus Life @ ICFAI Business School' at Lucknow, Allahabad, Kanpur & Agra on 31st October, 2020.

STUDENTS' ARTICLES

Akansha Thakur
19BSP0202

Is Big-Bang Bank Mergers the Only Solution to Head the Indian Economy?

The scheduled amalgamation of Public Sector Banks (PSBs) at this stage points to magnificent change to the 'socio-economic condition'. It brings about not only cultural, managerial alterations but also financial conflicts. For example- intense disputes between the commercial banks could affect recovery as well as lending. Some recent mergers of commercial banks are: Indian Bank and Allahabad Bank, Canara Bank and Syndicate bank Punjab National Bank, Oriental Bank of Commerce and United Bank of India ,All 5 associates of State Bank of India.

Cases of common stressed assets including priority of charge on securities and different recovery processes implemented by every bank would result in issues such as internal hierarchical muddle. These may get more direct and cause larger conflicts.A key reason for the merger is the weight laden-up by bad loans from years. Here, we are significantly talking about stressed assets. Now the important question to ask is- "Will the load mounting bad loans over the years get shed-off by these big-bang bank mergers?"

The public sector banks merger leads to substantial risk to the recovery process. The risk generated by these mergers may fluctuate with different banks. If asked about risk with respect to stressed assets, the creditor's pool could be common, including; merged public sector banks. There can always be inconsistent claims where the conflict of interest may be different for each bank for the same stressed asset. This could also be perceived as a threat by strategic investors.

Such operational problems arise because the merged entity would be represented as a joint entity. So, the merger will evoke the movement of staff, bringing about situations where, say, a special team, having conducted no forensics with reference to stressed accounts, would be deployed, resulting in ineffectual recovery steps.

Ekta Jaiswal
20BSP0737

Banking Sector Reforms

The banking sector is the backbone of all economic activities of a country and even small changes like a slowdown in its regulation affect the entire economy, especially developing countries like India. It plays a catalytic role in activating as well as sustaining economic growth. From the last five year, the banking industry has faced many frauds as well as rising non-performing assets. In 2015, the banking reforms started and achieved a lot. But a lot more needs to be done. The merger of the PSBs is already underway. Still, the restructuring of operations to increase efficiency and accountability in the PSBs has not been achieved.

The field General Managers of PSBs must spend 90% of their time in customer interaction and banking. The frequency of their visit to Jeevan Deep building in Delhi, which hosts the officials of the finance ministry is the same as the frequency of visit by private sector bankers. Continue to support RRBs through recapitalization. The interest rate should be cut down so that people start depositing into the banking sector and banks have enough cash to generate money supply in the economy. Therefore, a cheap rate on loan can create Aggregate demand in the economy and high-interest rate on saving account will attract more and more people to invest.

To make banking affordable and accessible, Vision 2020 of the banking system should incorporate Transformed Banking Models with emerging technologies like IT revolution, Robotics, Artificial Intelligence and FINTECH solution. To achieve faster and inclusive growth and to make major govt initiatives overhaul reforms in the banking sector is imperative.

Ankit Dabral
20BSP2932

Banking industry-Current scenario

This outgrowing pandemic has changed the vision of the whole world with respect to factors governing the risk that surrounds us. Whether it is a risk of taking a crucial decision in our personal life or implementing new policies in the dynamic environment.

The whole economy has suffered at large Every sector has been impacted by the giant wave of Covid -19. The banking sector is considered to be the cornerstone of any economy has been adversely impacted. Furthermore, the situation is not going to settle down any time soon as it would be the last to heal from this pandemic as per rating agency S&P Global. The report adds that India's recovery could come after 2023.

The main problem faced by banks is related to protecting staff and providing vital services to customers. Revenue pressure, low profitability, compact regulation and increasing competition from shadow banks along with new digital entrants.

Banks should proactively initiate credit fortitude and modification programs using a data-driven approach to bifurcate real customers to provide rapid solution reach. Prioritization of projects to ensure proper allocation of resources to the most pressing needs. Banks should invest on those sources of revenue which will outlive the current pandemic, including projects and initiatives that maintain or improve the customer experience such as end-to-end digital advisory and lending capabilities, increased fraud and cybersecurity analysis and detection, etc.

Ishant Mehndiratta
20BSP0920

Banking Sector Reforms

Big minds in the Indian banking industry or around the world, nowadays are of the view that risk management is also a key area on which the industry must focus, even more than before. Covid-19 has forced the government and the RBI to adopt various unpredictable strategies to avoid the situation of economic collapse leading to the new phase of ultra-low interest rates.

Banking Industry has reviewed the traditional mindset and adopted innovation to cater to the current needs of customers and despite various hurdles, banking operations were executed smoothly.

The moratorium period acted as a source of relief to the borrowers during the lockdown and RBI cleared that this period is excluded from NPA classification. RBI governor is of the view that there is not any set formula for every bank to deal with their adverse situations as the main concern of every banking system is to protect the depositor's interest and steps are followed accordingly. Whether it is the case of Yes Bank or Laxmi Vilas Bank.

The economy is recovering faster as rural demand is expected to strengthen further, while urban demand is also gaining momentum after unlock began. As a whole, consumers and manufacturers are optimistic. RBI in 5th Bi-monthly monetary policy gave an estimation that GDP growth rate will be -7.5% as compared to an earlier estimation of -9.5%. The current mandate of Monetary policy committee is to maintain 4% annual inflation until March 31,2021. In recent credit policy of RBI, there is no change in the interest rates. Repo rate is maintained at a previous level of 4% and Reverse repo rate at 3.35% as Inflation has forced RBI to maintain these rates at the previous levels to support growth.

Earlier experts were of the view that restoration of financial strengths of banks can go beyond 2023 but recent figures of growth indicate that we are on the fast track as that of estimations and as the vaccine news is coming positively on a frequent basis, this shows a sort of confidence in the markets that we are moving at a great pace. Various problems of liquidity crunch are still prevailing which RBI is trying to maintain. In my point of view, the much-needed reform is the privatisation of PSU Banks, this will lead to more effective supervision and regulations. As various banks do not have the power to take risks and perform better and at last government infuses the taxpayer's money for recapitalisation purposes.

Banking Sector Reforms

Tanmay Upadhyay
20BSP2622

For the last six years, Indian banking has become almost synonymous to the word NPA. These bad loans were as low as 1-2% around 2008 when India's growth stood at 8% but by 2014-15 it had ballooned close to 5% and then rose over 11% by 2018. Also, during this pandemic, approximately 40% of loans were under moratorium.

Indian economy is in dire need of jumpstart and both production and consumption have taken a hard hit. A choked credit flow problem due to huge NPAs is not helping the situation. RBI believes that NPAs could rise up to 14.7% due to the pandemic. On 30th August 2019, Finance Minister had announced the amalgamation of 10 PSBs into 4 big banks, along with the announcement of Rs 55,250 crores capital infusion in PSBs.

The Indian banking system currently suffers from four major issues. First, the quality of assets. Second, the capital crunch, which regularly forces the government to recapitalise especially the PSBs, which owns 70% of the Indian banking system. Third, accountability. Whenever anything wrong happens in the banking system, it is never zeroed down to the individual responsible. The fourth issue, which is surprising, is the shortage of middle and senior level management employees. In PSBs, 95% of the GM level employees, 75% of DGM level employees and 58% of AGM level employees are retiring in 2019-20.

Amongst the four major issues ceiling the Indian banking system, the most urgent one is the quality of the assets in the Indian banks. One of the main reasons for these NPAs is phone banking. It was revealed in Asset Quality Review (conducted by the RBI) that banks started hiding the bad debts of influential personalities instead of recognizing them. To get out of NPA mess, the government introduced Insolvency and Bankruptcy code in 2016. The IBC was successful with a recovery of around 1.2 lakh crores in the first 12 cases. AQR followed by IBC has tackled the NPA problem head-on.

Digitalization, better rules for employment, and bankruptcy code are the steps in the right direction. These steps might take some time in showing visible results but are solving the issues.

Banking Sector Reforms

Riya Gupta
20BSP1909

The Banking sector is the engine of all economic activities in the country and a small change in its regulation can affect the whole economy. The current state of the Banking Sector is more of a collaborative one. As per Reserve Bank of India (RBI), our banking sector is sufficiently capitalized and well regulated. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have understood the global recession well. The Indian banking industry has recently seen the roll-out of innovative banking models such as payments and small finance banks. New measures by RBI may help in restructuring the domestic banking industry.

Depending on the likelihood of the pandemic coming under control, a global recession of varying magnitude is indicated in many economic scenarios. The situation has hit the Indian economy at a time when growth has been at its lowest in a decade. Financial institutions need to plan for many scenarios. The operations need to place their customers as well as employees at the centre of their businesses.

Spending on infrastructure, accelerated implementation of projects and continuing reforms are expected to further accelerate growth in the banking sector. All these factors suggest that India's banking sector is poised for strong growth as fast-growing businesses will turn to banks for their credit needs. In addition, the advancement of technology has brought forth mobile and internet banking services. The banking sector is placing more emphasis on upgrading its technology infrastructure to provide better services to its customers and enhance the overall customer experience, as well as giving banks a competitive edge.

Banking Sector Reforms

Mohit Kumar
20BSP1321

What do you think about the current state of the banking sector?

In this lockdown period, most of the economic activity has been stopped. Due to this, the banking sector is also affected, although mostly indirectly. The Indian banking sector plays an important role to enhance the economy. Banks are known as the investment house for the public as a means for easy returns.

COVID-19 played an uncertain situation for the banking sector. Right now, the banking sector is waiting for some further change in monetary and fiscal policy from the government. The main challenge for the banking sector is its return to stability because the inflow and outflow of cash are not going on smoothly. The banking sector has also reduced the interest rate which results in profit decline. The contraction in the economy is having adverse effects on credit quality because banks are increasing loan loss provision. Banks are not able to offer an excellent customer experience due to which they are losing customer relationship.

How is it affecting the economy?

The banking sector is the backbone of the country because it contributes the most to the economy. Right now, in this situation, most of the population is not parking its money in the bank. Banks also help in capital formation but in this situation, banks are not able to entertain them. There are some schemes which the government introduced with the help of banks, but due to shortfall of money, they failed.

What can be done to improve it?

Flexible monetary policy will change the borrowing patterns of the firms. The priority is to create demand by spending more money as the private sector is not coming forward due to low MEC. Lending rates should be reduced. Improving customer relationship with better facilities.

Banking Sector Reforms

Divya Ravi
20BSP0716

Banking sector holds vital importance in the growth of India's economy. Currently, banks are facing high liquidity risk due to the rise in non-performing assets (NPAs) from the borrowers which may further rise in the year 2021 due to slowdown in the economy. The banks' credit growth has also declined to 5.8% from 8.9%.

Due to the increase in bad debts several reforms were taken to support the banking sector. In the year 2019, thirty-two banks went through a merger which scaled up their capital and they gained more investments. The funding to NBFCs increased the long-term credit availability to small companies which helped in the growth of financial markets. The Pradhan Mantri Jan-Dhan Yojana is an initiative by the government to provide every citizen with access to banks. People could open bank accounts with no minimum amount required. This single bank account was sufficient to gain benefits from other schemes which increased the demand in banks. It also increased banks' capital and gave benefits of life insurance cover of Rs 30,000 and accident insurance till Rs 2 Lakh.

Digitalization in the banking sector with the initiative for a paperless, cashless and transparent payment system increased online banking. This gave people any time access to payments from banks, reduced human error and increased customer loyalty. The RTGS and NEFT facility reduces the time for cash payments to other states and nationwide. The government planned to invest in public sector banks to increase their credibility. A transparent and enlarged vision is required in the banking sector to uphill the Indian economy and creates opportunities.

Banking Reforms in India

Purendra Goyal
20BSP1755

In India, the banking sector has had a lot of reforms in both pre-and post-pandemic times. The government has been boldly reviewing and reforming the banking sector situation by taking the necessary steps from time to time. There have been a lot of internal bank fraud cases and the number of non-performing assets (NPAs) keeps rising. But how did all of this happen? The Reserve Bank of India (RBI) has taken many steps for continuously reviewing and reforming the sector by not allowing the NPA to get more extension and also by merging many public banks.

The government has merged 10 public sector banks into 4 with the view to club the good banks and bad banks together so that the bad banks can survive and improve their health.

In the previous couple of months, the government injected several fresh fiscal stimuli to boost growth. In addition to booting up the banking sector, the RBI set-up the Internal Working Group (IWG) Committee which proposed to convert the large NBFCs into banks if they possess asset size of Rs.50000 crore. Also, they have capped the UPI handling companies with their maximum limit transactions so that it gives space to other players to grow also into the field.

In the month start of November 2020, the Modi government has done a virtual meet with top investors from the worlds where the positive long-term reforms have been made which meets the investors need to increase the Foreign Fund inflows in the economy. After that the foreign players showed faith in our government and there's has been a continuous inflow of average 2500 crores daily to the economy from the past one and half months and the NIFTY 50 indices have also reached to its new lifetime high of 13597.50 on 14th Dec 2020 and at the same time the NIFTY BANK indices also catch up with fast gains in reaching to the levels of 30800 after its March 2020 low.

Banking Sector Reform in India

Yamini Bhoj
20BSP2844

The banking sector is crucial for the control of the money supply and to create demand in a country by modifying the interest rates on loan and deposits. In the current situation, the government is continuously working on banking policy and rates to waive loans or extend the time of repayment, making fund more available to the public so that demand could be created after the pandemic slowdown. The banking sector needs timely reforms to achieve sustainable growth. It has nationalized various banks. Recently, due to the increase in NPA, the government had announced the merger of 10 public sector bank into 4 to improve operational efficiency and to cut down lending cost.

Digitization, fintech technology, mobile banking and UPI Payment methods are some dynamic changes government have recently been introduced in this sector to make banking more user friendly. Apart from this, there is a proper OTP and password protection to prevent people from any kind of financial fraud. Every transaction requires authentication from the account holder. All account related detail can be accessed through online mode now. ATM facility has increased drastically and the services which were initially limited to cash withdrawal and deposit (1988-1994) has now increased to account transfer, booking, bill payment etc.

Naman Mehta
20BSP1375

Banking reforms require strong regulation

The banking sector is the backbone of every economy. This applies to the Indian economy too. At present, almost 7.7% of GDP is being contributed by the Indian banking industry. Also, our banks are the key generators of jobs for around 1.5 million people in the country.

According to the current scenario, a series of mismanaged actions in the banking sector have led to the decline in incomes, the stacking of non-performing assets (NPAs), enormous bad debts and the shrinking of credit facilities. This has weakened the country's economy with shrinking investments in households and enterprises, leading to low jobs and economic growth. This occurred due to erroneous lending decisions, lack of oversight and legal shortcomings.

The latest RBI financial stability report showed a vicious cycle of NPAs that could further harm the economy if not tackled on time.

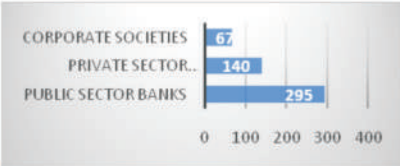
To improve the situation of the banking sector, we need a group of experts to advance loans, expert analysis and system monitoring for a better system with clear rules for collecting deposits, the regulator must determine the excess credit, if any and take steps to reduce it by the use of the monetary policy, audit for any fraud, banks must also have an internal vigilance committee, banks must not grow their loans too quickly as compared to their deposits.

The Government has taken numerous corrective steps, such as pumping in ₹20 lakh crores to stabilize the banking industry of the country. In 2017, the Insolvency and Bankruptcy Code Ordinance Bill was also introduced to regulate the operations of the country's banking, non-banking, and other financial institutions. Besides, it should be ensured that other commercial or government banks do not meet the same fate as PMC or Yes Bank, and the economy does not pay a heavy price.

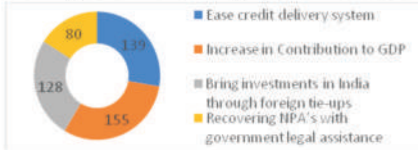
VOX POPULI

Findings of Opinion Survey from a sample of 502 PGPM students of class 2021 and 2022 at IBS Gurgaon:

Q1. Which banking sector do you feel safer to use?



Q2. What should be the primary objective of the banking reforms during the current scenario?



Q3. Do you agree on restrictions of cash withdrawals from saving account to promote the use of digital payments?

Q4. Which of the following is the most used marketing strategy by banks to compete?

Q5. During this pandemic, which can be the main reason for the increased money supply?

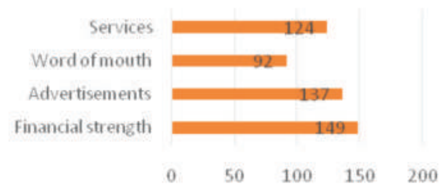
Q6. According to you what kind of reforms does the banking system need?

Q7. Which of these is more profitable?

Q8. How does increase in UPI charges (i.e., using Google Pay, Amazon Pay services) will affect the consumer?

Q9. Which among the following e-banking service need improvements in India?

Q10. On what basis do you trust a bank?



Q11. Which of the sector has higher NPA (Non-Performing Assets)?

Q12. According to you what kind of new rule does the banking sector needs to avoid NPA?

Compiled By:-
Taranpreet Kaur
20BSP2643

CELEBRITY INTERVIEW

Govind Gurnani

Mr. Govind Gurnani is a banking veteran with 35 years of experience in Reserve Bank of India- a regulator for all banks in India. He is an MBA in Banking & Finance and a qualified Certified Associate of Indian Institute of Bankers. His areas of interest and expertise are Finance, Monetary Policy, Financial Audit & Risk Management. Below is the excerpt of the interview with Mr. Govind Gurnani.

Ques 1. How have the banking sector reforms benefited our economy?

During the last three decades, banking sector reforms have brought about a remarkable improvement in the financial health, the policy and institutional framework and technological upgradation of the banks. The reforms have enabled the banks to diversify their activities in new areas such as mutual funds, merchant banking, venture capital banking and other para banking activities. The banks such as SBI and HDFC bank have reached to Fortune Global 500 list. Thus, we can say that India will achieve its goal of becoming a $5 trillion economy in the next 5-7 years. However, in my opinion, the banks in India are still not enough to tap the full potential of the economy as can be seen from low credit to GDP ratio that is around 50%. The major Indian banks are not competitive enough to meet internationally accepted standards of performance. Reforms are needed in the areas of corporate governance, frauds detection, risk management, asset quality, competitiveness and capital adequacy of the banks.

Ques 2. Despite various reforms, rules and regulations, why our country is not able to control massive banking frauds and rising non-performing assets?

It is because some banks are not following RBI instructions on prevention and detection of frauds properly. Fraud reports are submitted by some banks to the RBI with considerable delay after its detection. There is a lack of fixing staff responsibility and accountability on the detection of frauds. A strong culture of accountability, zero tolerance and effective enforcement of rules and regulations are the key factors for controlling frauds in any bank. The asset quality review of the banks undertaken by the RBI in July 2015 revealed that some banks were not classifying assets as per RBI norms and were restructuring stressed assets without due diligence to delay recognition of NPAs. Another reason for the rise in NPAs was relaxed lending norms adopted by banks, especially to the big corporate houses, the foregoing analysis of their financials and credit ratings. Poor credit appraisal and defective lending methods also contribute to the rise in NPAs.

Ques 3. The entry of new generation private banks and differentiated banks in the post-reform phase have added new dimensions to the size of the banking system, but why is it still not enough to tap the full potential of the economy?

The new generation private banks, which came into existence since 2013, has still not expanded its network in rural areas to its full potential. These banks are facing competition from public sector banks, old private banks, shadow lenders and FinTech companies. As per the recent report on financial inclusion, around 60% of households do not have access to formal banking services. The success of differentiated banks depends upon its ability to reach out to the unbanked, rural sector of the economy, particularly microfinance units. The restrictions placed upon differentiated banks on the deployment of their financial resources by the central bank limit their ability to tap the full potential of the economy.

Ques 4. Why, despite the impressive expansion, bank credit to GDP ratio is still languishing around 50 % compared to 150-200% in advanced economies or even China?

India ranks amongst the most financially underpenetrated economies that suffer from a bad loan problem with industrial credit while also being underpenetrated in last-mile credit. To improve the credit to GDP ratio, the RBI Governor has rightly said "Access to credit and cost of credit need to be addressed by lesser reliance on collateral security and greater cash-flow based lending. Credit bureaus and the proposed Public Credit Registry framework are expected to improve the flow of credit as well as credit culture." The rising level of NPAs has affected the capital of banks. Neither are the banks able to extend new loans nor are they able to address sector-specific issues on credit especially the MSMEs. In the advanced economies, there are specialized banks to take care of sectoral needs for finance. For instance, in China, they have Agricultural Bank of China for the farm sector, Industrial and Commercial Bank of China for commercial loans, China Construction Bank for the infrastructure sector and Bank of China specialize in foreign transactions.

Ques 5. RBI has been selling gold from its reserves to overcome fiscal deficit but RBI denied the fact. Do you think if RBI does the same in future, it would be the right decision or there will be some other consequences?

On this point, RBI has stated on the micro-blogging website Twitter that 'The fluctuation depicted in Weekly Statistical Supplement (WSS) is due to change in frequency of revaluation from monthly to weekly basis and is based on international prices of gold and exchange rates.'

The RBI had also clarified that it has neither sold gold from its reserves nor is trading in the yellow metal. The tweet reads: 'Reports have appeared in certain sections of media that RBI has been selling/ trading in gold of late. It is clarified that RBI has not sold any gold or trading in it.'

Ques 6. Why restructuring PSBs is more critical than credit disbursement?

In recent times, the banking system has sufficient liquidity to meet the credit needs of the economy due to liquidity measures taken by the Reserve Bank. But there is a low credit demand from the corporate borrowers as there has been no business due to pandemic induced lockdown. An analysis of the RBI data reveals that due to the faulty structuring of the PSBs the credit growth in public sector banks (PSBs) is lesser than private sector banks during the last two years. The PSBs are front-end loaded with all responsibility apparently at branch manager level. Whereas the private sector banks have a vertical based structure which distributes the workload and also improves the accountability of bankers. So, it will be difficult to improve the PSBs unless they are restructured like private banks.

Ques 7. How can we improve efficiency and accountability in the PSBs?

During the last five years, the banking industry has been subject to massive banking frauds and rising non-performing assets. Public sector banks account for 70% of system assets and they have been consistently losing market share in both deposits and loans to private sector peers for the past two decades. The issues faced by PSBs are largely governance-related, low capital adequacy, asset quality, improving the efficiency, competitiveness and accountability and reforms in this direction are, therefore, the government's priority.

Ques 8. To help MSMEs, which type of banking sector reforms are needed?

The major challenges which MSME sector faces today include, inter-alia, physical infrastructure bottlenecks, inhibition to technology adoption, capacity building, the problem of delayed payments and lack of access to credit & risk capital. To overcome these challenges, MSMEs need to accept digital payments and foster in-house innovation and be integrated with global value chains to remain competitive in exports. There is a need to improve financial support from formal sources to MSMEs, newer technological interventions for robust underwriting practices and credit delivery among others.

Ques 9. The government has approved a fresh infusion of Rs. 20,000 crores in public sector banks in the next six months. What does it signal for the banking sector?

As per the estimates made by the credit rating agencies, the public sector banks would require capital in the range of Rs. 20,000 - 55,000 crore for the FY 2020-21 to meet the provisioning requirements on the accretion of fresh NPAs. Given the capital infusion by the government is at the lower end of estimates, the capital cushion will remain low above regulatory levels unless these banks can raise some capital from markets.

Ques 10. What is your view on the merger of ten public sector lenders into four bigger banks?

Ten public sector banks have been merged into four to revive and revitalize the banking sector to stay on course for India's stated target of touching $5 trillion as an economy. The merger has helped the banks in better management of capital, reduction of cost of operation, easier administration, improved supervision and increased lending capacity for big industrial projects. The merger has created banks with a scale comparable to global banks and capable of competing effectively in India and globally. In my opinion, it is better to do mergers when banks are healthy than when they are unhealthy. The merger of weak banks should not have been undertaken till these banks would have restored to health.

Compiled By:-
Suhani Patel
20BSP2534

ALUMNI SUCCESS STORY

Mr. Maneesh Srivastava
Co-Founder, AlphaValue Consulting
Batch of 2008

Become the best Version of Yourself

Success is not an easy task and to reach the top of your career you need to have a mix of certain attributes like strong learning desire, excellence in your work, focus and finally a lot of conviction to become the best.

People generally see the successful people and think it is a cakewalk. But when you go deeper and see the road they travelled, then only we will be able to understand the hard work he or she has done to reach the pinnacle of success.

I have completed my graduation in Bachelor of Commerce from Allahabad University and Company Secretary course from ICSI.

I started my corporate career in the year 2005 working in Citi Financial. I felt after working for almost one year that Company Secretary work is not my cup of tea and I had the quest of knowledge in the area of finance so I started preparing for CAT and other MBA entrance test examinations to go for MBA Finance.

In the year 2006, I took admission in IBS Gurgaon and really when I look back I think that was a wise decision I made at that point in time.

IBS Gurgaon has helped me unleash my potential because of its strong pedagogy and too much emphasis on case studies. I joined IBS for enhancing my finance knowledge. It sharpened my presentation skills, helped in designing, on the spot thinking pattern and the specialized designed curriculum has created a unique learning curve. I did my MBA internship in PWC and this internship has given me a better exposure to see how the consulting companies work and I got pre-placement offer from PWC.

When I passed out in 2008 there was a recession in the market and the PPO got cancelled but the college placement cell worked hard despite deep recession to get each one of us in our batch placed in good companies.

I got placed in DBS Cholamandalam and in just 37 days of my job in Cholamandalam I realized that I have some better role to play and fortunately I got an opportunity to work in the profile of Investment banker in Nexgen Financial.

After that, I joined a Merchant Banking Company as a Manager and worked there for approx. 9 years and in the period, I made the valuation department as the best department of the company and got the best client manager award five times in a row and reached the position of Vice President.

I, after working for 9 years, felt that I can do more and I can with all the experience can start my own company. In January 2020, I started a company Alphavalue Consulting Pvt Ltd which is a young company led by experienced professionals and is a focused corporate valuation and deal-making company.

With this started my journey of Entrepreneurship and its going fantastic. Just after 3 months of starting Alphavalue there was corona pandemic but for us, it worked well as in this time, we were able to collaborate with a lot of consultants and corporates. One thing is for sure my 15 years corporate journey has immensely helped me in understanding the market dynamics and positioning my company Alphavalue. If you have a strong co-founder it really helps you and I'm happy to have Sameer Verma as my co-founder, as together we built a strong team.

Today we are among the top valuers and undertaking all the valuation assignment like Brand Valuation, Sweat Equity Valuation, Investment Valuation, Esop Valuation and others and we want to build the international Corporate Valuation company of repute. We are offering internship to students from IIM, IIT and of course to IBS students.

Success does not come in a day but you have to pass through various seasons to bear the true fruit. Just in the end I would say stay focused, work with an open mind, be on the learning curve and do what you are meant for.

I have a strong sense of gratitude towards my Alma Mater IBS Gurgaon and I salute the college and the professors who made all the difference.

Mr. Shaktikanta Das
Governor, RBI.

CELEBRITY WATCH

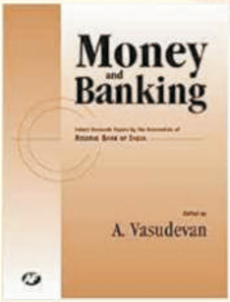
Governor, Reserve Bank of India Mr. Shaktikanta Das, a former Finance Secretary, a vocal supporter of demonetization and a prominent bureaucrat in the Ministry of Finance was appointed as the 25th Governor of RBI on 11th December, 2018 after Urjit Patel stepped down. He was born in a middle-class family in Bhubaneswar, Odisha on 26th February, 1957. He was an alumnus of Demonstration Multipurpose School, Bhubaneswar, and has done his graduation and post-graduation from St. Stephen's College, Delhi University. After passing the Civil Services Examination, his first posting was as an assistant collector in 1982. Later on, he went on to serve the Government of India in various capacities which include – Secretary in the Ministry of Chemicals and Fertilizers (2013-14), Secretary in the Ministry of Finance Department of Revenue (2014-15), and Secretary in the Ministry of Finance Department of Economic Affairs (2015-17).

During his entire career, he was involved in quite a few controversies such as in 2016, he was criticized for his involvement in the allotment of land to the US firm Sanmina SCI Corporation at a concessional price in 2007 when he was the part of Tamil Nadu Government. Also, his appointment as the Governor of RBI was highly criticized on the pretext of his educational qualification. In February 2017, he was in a lot of news for criticizing the rating agencies such as Moody, Fitch for not upgrading India's sovereign rating.

His stint as an RBI Governor is highly praised for his approach to make the economy stable during the COVID-19 situation. Various measures were announced to provide relief against the ongoing coronavirus outbreak such as the reduction in repo rate and reverse repo rate, increase in loan moratorium period and easing the working capital finance procedure. He has also launched Utkarsh 2022 which is a medium-term strategic framework for RBI that aims at improving the trust in the Central Bank. His significant contribution to the development of the Indian Banking Sector includes- Recognition of the role of NBFC in priority sector lending, restricting of stressed MSME loans and on tap licensing of small finance bank.

Compiled By:-
Riya Kapoor
20BSP1910

BOOK REVIEW



Nameof the Book: Money and Banking
Author:A.Vasudevan
Publisher: Academic Foundation

Asuri Vasudevan is an Indian economist and former Executive Director, Reserve Bank of India (RBI). He was Special Adviser to the Governor, Central Bank of Nigeria during the year 2012-2016. Prior to that, he was the Monetary Operations Adviser on IMF assignment in Nigeria during 2006–2009. He was also Visiting Professor (UGC) at Gokhale Institute of Politics & Economics, Pune, in 2004. He has published widely on Development Economics and Monetary Policy. His recent books include Central Banking for Emerging Market Economies and Monetary Governance.As indicated by the title, this book comprises of the select research studies in the area of money and banking, undertaken by the economists of RBI. The twenty research papers included in this book have been classified into four sections.

Though the sections have not been titled as such, Section I includes two papers which are deemed by the editor to be of historical importance. These papers were published in the years 1978 and 1981 respectively. Section II includes papers that broadly deal with the issue related to the demand for money and supply of money. Section III comprises of papers that detail linkages between monetary, financial, fiscal, real and external sources. The Last Section IV includes papers related to the development and efficiency of the banking sector in India.

The book is a fine collection of the contributions of researchers during the time span of 1978-1999, with a clear emphasis on contemporary problems. The introduction to the book by the editor itself is a contribution in terms of providing a concise summary of the evolution of research and publication of the same by the RBI. Section I includes two papers, first by Vasudevan and Menon (1978) and second by Rao, Venkatachalam and Vasudevan (1881). The First paper addressed the issue of the transmission mechanism of monetary policy during the time span 1956-57 to 1975-76. The paper by Rao, Venkatachalam and Vasudevan (1881) was an attempt to forecast monetary aggregates.Simultaneous equation model was used for this purpose and insample static and dynamic simulations were conducted. The Book covered all the aspects of money and banking.

Compiled By:-
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