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Issues/Challenges of Indian Banking

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From the Editor

Special Features

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MISSION

The mission of the Institute is to develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs.

ध्येय

संस्थान का ध्येय मूलत: शिक्षण, प्रशिक्षण, परीक्षा, परामर्शिता और निरंतर विशेषज्ञता को बढ़ाने वाले कार्यक्रमों के द्वारा सुयोग्य और सक्षम बैंकरों तथा वित्त विशेषज्ञों को विकसित करना है ।

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editorial

Dr. J. N. Misra

Chief Executive Officer,

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The Indian Banking industry has recently witnessed significant changes, with the introduction of Insolvency & Bankruptcy Code, 2016, GST and demonetization.

Over a decade, the banking sector has faced a significant rise in stressed assets, especially in public sector banks (PSBs). According to the Economic Survey 2017, stressed assets (bad loans and restructured loans) constitute around 20% of the total loans in the system. This is a matter of concern for the banks, Reserve Bank of India and the Central Government.

The introduction of Insolvency & Bankruptcy Code, 2016, is a major milestone which is expected to be instrumental in reducing the NPA levels of banks. The Insolvency Code will apply to companies, partnerships, limited liability partnerships, individuals and any other body specified by the central government.

The introduction of Goods and Services Tax ('GST') changed the entire indirect taxation regime, impacting taxation structure, business processes and technology.

On 8th November 2016, Government of India announced demonetization of high value currency notes of ₹500 and ₹1000, which ceased to qualify as valid tender from 9th November 2016 onwards. The objective behind this move was considered to be for elimination of fake notes, reduce corruption and stop terror funding.

The Bank officials across the nation put in their best efforts for ensuring a smooth transition, working for long hours, even on holidays and their efforts are indeed commendable. Amidst demonetization, there was a strong growth in payment by digital modes, using wallets, cards or net banking. The process of demonetisation has however not been without challenges. With restrictions on cash withdrawals and waiting in queues for depositing or exchanging notes, people did face initial hardships, but in general, the people of the country welcomed the move for a larger good.

These were the major policy decisions taken by the Government. Thus, the theme of this issue is "Issues/Challenges of Indian Banking".

The first article is the key note address by Dr. Y.V. Reddy, Former Governor, Reserve Bank of India, in the Bankers' Meet organised by IIBF at Hyderabad on 8th May 2017. The topic of the address was "Financial Sector Reforms: A Review and Tasks Ahead". Dr. Reddy, in his address, has shared a bit of the past of the financial sector reforms in which he was involved and also expressed his views about the tasks now and going forward.

The R. K. Talwar Memorial Lecture organised jointly by State Bank of India and the Indian Institute of Banking and Finance, in the memory of Late R.K. Talwar is one of the prestigious events conducted by the Institute on an annual basis. The 8th R. K. Talwar Memorial Lecture was organised on 7th September 2017 at Hotel Trident, Mumbai. The Lecture was delivered by Dr. Viral V Acharya, Deputy Governor, Reserve Bank of India on the topic "The Unfinished Agenda: Restoring Public Sector

Bank Health in India". According to Dr. Acharya, there are several options on the table and they would have to work together to address various constraints in the banking sector. While concluding his speech, Dr. Acharya mentioned that he is worried for the small-scale industries that Mr. Talwar cared the most, which are reliant on relationship-based bank credit. The "Indradhanush" was a good plan, but to end the Indian story differently, we need soon a much more powerful plan - "Sudarshan Chakra" – aimed at swiftly, within months if not weeks, for restoring public sector bank health, in current ownership structure or otherwise. The content of the lecture forms the second article of the issue.

The third article is contributed by Mr. A.P. Hota, Former MD & CEO, NPCI on "Why UPI is a game changer in Payments system?". The author in the article has shared that UPI is a quantum leap over the Immediate Payment System in terms of functionality and covers 52 member banks with active customer bases of about 7 million with a monthly volume of about 12 million payment transactions. Almost all major aggregators of on-line payments have enrolled for UPI. A new paradigm of payments is being created and it can be well argued that UPI has been a game changer.

The next article on the theme is "De-to Re-monetization. Banks' journey hitherto … and henceforth" by Dr. M. R. Das, Former AGM (Economist), SBI. In this article, the author has shared his insights by saying that financial intermediation is still eclipsed, but a new dawn has surfaced for Digital Payment Systems (DPS) after demonetization. Banks are still adjusting to the transition, contrary to many who endeavour to draw hasty inferences based on just ten-month experience of such a gargantuan policy intervention. While revival of loans to the productive sectors is of prime importance from long-term growth prospects, advancing DPS is crucial for conserving the fruits of growth.

In the current issue, we also carry two Hindi articles. The first article is on "**विमुद्रीकरण: भारतीय अर्थव्यवस्था एवं बैंकों पर इसका प्रभाव**" written by Mr. Vijay Prakash Shrivastav and the second article is on "**विमुद्रीकरण से आगे डिजिटल बैंकिंग एवं वित्तीय साक्षरता**" written by Dr. Saket Sahay.

At the end of this issue, we have a book review, by Mr. V. N. Kulkarni, former DGM and Principal, MDI, Bank of India, on the book "BANKING BEYOND BOOKS-Stories of a Successful Banker" written by Mr. Waman Gokhale, former DGM, Central Bank of India.

We are confident that the articles included in this edition will stimulate your interest. Your valuable suggestions and feedback for improving the contents are welcome.

Dr. J.N. Misra

Financial Sector Reforms: A Review and Tasks Ahead

Dr. Y.V. Reddy*

Dear Dr. Misra, Distinguished Guests and Friends,

I must express my gratitude to the organizers, in particular to Dr. Misra for dragging me out of my home. I had met Dr Misra almost two decades ago in London and so, I could not say no. I started reading more than ever about the Institute and its literature and started learning because I was asked to come here.

I understand IIBF was established in 1928, before the Reserve Bank of India and, of course but, after State Bank of India. It has completed 89 years and so obviously, it has learnt how to adjust to circumstances and reinvent itself based on emerging requirements. In a way, the Institute is practising what it is teaching; that is to keep learning. So I must compliment you and your Institute and I am sure that you will excel. Since this event is commemorating the 90th year of IIBF, I thought it is appropriate to consider the past. Most of my life has been in the past and naturally more than in the future. I will share with you a bit of the past of the financial sector reforms in which I was involved. We will then exchange our views about what are the tasks now and what are the tasks ahead. If there are some tasks ahead, you will be in a better position to say.

First, I will just mention what happened from the Narasimham Committee and what were its recommendations, then I will go on to say what I did when I was to handover the charge as Deputy Governor. I wanted to say, what should be done and officially, in all my speeches, I had to say only what I could say but what I wanted to say, I could only say when I was leaving the Deputy Governor's job. So at that time, I called it the technical vision. I said this is what in 2001 I believe should be done. After that, I came back as Governor and I had to do certain things. What I did, I will share with you. Finally, as in the 14th Finance Commission, there were recommendations regarding the banking sector, I will refer to that and then we will discuss the task of having known what should be done, and what could be done.

In the budget speech of July 1991, Dr. Manmohan Singh had said that the objective of reforming the financial sector would be to preserve its basic role as an essential adjunct to economic growth. According to him, our growth performance has not been that bad, it has in fact been accelerating and competitive efficiency would further improve the health of the institutions.

What about the Narasimham Committee?

The Committee was appointed under the Chairmanship of Mr. Narasimham. It gave its recommendations in April 1991 to the Congress Government and it provided the basic framework for the reforms and as a supplement, Narasimham 2 was appointed by Mr. P. Chidambaram, the then Finance Minister, United Front. By the time the report was submitted, Mr. Yashwant Sinha became the Finance Minister. All of them accepted the recommendations of Narasimham 1 and 2. Hence, it could be said that the recommendations of the Narasimham Committee had the support of the different political parties.

***Former Governor, Reserve Bank of India**

Dr. Y. V. Reddy delivered the keynote address at the Bankers' Meet organised on 8th May, 2017 at Hyderabad

Interestingly, what was agreed to in principle by all was not necessarily translated into action even after 25 years.

Now, let me come to individual recommendations. The most important recommendation in my view as a student of economics, was the externally imposed constraints viz. statutory pre-emptions. The Narasimham Committee had recommended that the SLR & CRR which was 38.5% and 15% respectively be reduced to 25% and 5% respectively. In October 1997, the SLR was brought down to 25% and in 2002, CRR was brought down to 5%. Subsequently, when I was the Governor, we brought an amendment to the law, to reduce it to below 25% and CRR to below 3%, but not much has happened after that. In those days, there was credit allocation and interest rates were prescribed which we removed. Almost all administered interest rates of RBI were dismantled except insofar as some government schemes were concerned where administered interest rates continued.

The Committee had also recommended structural re-organisation of banks, Public Sector Banks to have more autonomy, merger of banks, capital account convertibility, dilution of government holdings in Public Sector Banks, introduction of capital adequacy norms etc.

Most of the recommendations of the Narasimham Committee which were within the jurisdiction and compliance of RBI have been delivered. Some of the structural aspects of the reforms covering the Public Sector Banks which had to be done by the government remain to be implemented.

In 2002, which was my year of retirement, I had felt that some radical changes were required. I called this as a Technical Vision. I would now like to share with you some aspects of the said vision.

1) All public sector banks should be converted into companies to offer flexibility for changes in ownership. Acquisitions, mergers then become easy.

2) To professionalize the ownership functions and ensure professionalized ownership, I had felt that there should be a holding company. The mandate for holding company could have been three fold:-

   i) Fiscal Neutrality- there is no reason why tax payers should pay money to the banks.

   ii) Protecting the interest of those banks which are serving public purpose by infusing resources only when there is special public purpose.

   iii) Enhancing bank-wise genuine board management and worker motivation to cope with paradigm shifts occurring in banking industry.

   The critical element for success was the manning of the holding company

3) Ensure genuine corporate governance

   The Co-operatives: Looking at the banking system, you cannot exclude the Co-operatives and the RRBs.

Finally, I had said that a national consensus must be attempted amongst all the stake holders to seek a banking system that is flexible, dynamic, fair and truly national.

If you recall the budget speech of 2002-2003, virtually there was only one reform on the agenda, which was to allow foreign banks to come and acquire Indian banks. It was something to which both leading national parties had committed. So at that point of time, when I joined, we discussed the matter and my point was that you should give an opportunity for the Indian banking industry covering the following aspects:

1) You cannot say that you are an Indian bank so you should have so much pre-emption etc. In such cases, you have not given an Indian bank an opportunity to become competitive.

2) The major issue is governance. The governance standards should be high. There are two types of problems; the private banks were weak, not exactly very ethical. The Public Sector Banks were political. So, we were in a position to convince the Government that the important factor is governance and cleaning up of the governance standard. That was the time we introduced the 'Fit and Proper' criteria for the CMD's, for the Board and for the ownership.

   It was possible for RBI to get these things done for the private sector banks. For the public sector banks, under law, it is the government which takes care. First thing we were able to do was to have an agreement between the Ministry and RBI, that this is important. Then we came with the roadmap, since there was a commitment of the nation, to the world that we will open, not now but over a period.

   If you had seen the budget speech of the then Finance Minister, he had made this announcement very clear. He had said that the future will be competition, consolidation and convergence. He had also said that while most proposals will be implemented by RBI on its own authority, some legislative changes were required to be made to the BR Act, RBI Act etc.

   Roadmap for foreign banks were drawn, guidelines on ownerships, governance were framed. Due to these measures, some of the small private sector banks disappeared got merged. So, there was some sort of cleaning up and some sort of enhanced efficiency as far as the private sector banks were concerned. The PSBs also improved, particularly in financial inclusion. Subsequently, after I retired, they had a crisis.

   Then I came back into the system as Chairman, 14th Finance Commission. The problem was then as Government said the capital requirement was ₹2.84 lakh crore, to be given as capital to banks. The question which was then asked as to why the tax payers should pay? As a finance commission, we had to face that problem. We as a commission said, in our view, there is a need to further lower the fiscal cost of recapitalization by restricting it to select entities who would be in a position to effectively utilise the funds. There had to be an incentive, not an automatic license to be incompetent, irrelevant etc. Therefore, we recommended that a financial sector enterprises committee, including the DFIs, be appointed which should reconcile the regulatory needs, tax payers' interests and the element of changes needed.

   In my view, the first task to be addressed is the aspect of dual control flagged by Narasimhan. If banks have to compete, the public sector banks should virtually have the same freedom to compete. I would therefore, say the first task is structural legislative transformation of the Public Sector Banks into genuinely commercial units. Where, they are required to perform functions other than commercial, there should be a transparent way of funding such functions.

   The Institute then requested the participants to raise questions relating to the current issues in the banking sector.

Question and Answers

The questions raised by the participants pertained to creation of a Bad Bank, consortium arrangements of banks, consolidation of banks, amendments to BR Act 1949 and more powers being given to RBI and the impact due to the applicability of Indian Accounting Standards. The essence of Dr Reddy's views on the above issues are enumerated below.

a) A Bad Bank is created generally due to an occurrence of a shock; huge crisis and a reflection of the economic crisis in the banking system. The current problem may not be a result of a shock. In our case, it is an accumulation of a several problems. A Bad Bank may therefore not be a solution.

b) Consortium arrangements of banks are matters best left to the banks concerned. The regulator should only enter if there is a collusion among bankers and borrowers.

c) Consolidation of banks has been debated earlier also. In consolidation, even if two strong banks merge, the combined entity may still become weak. Hence, what is important in consolidation is synergy in operations and not size.

d) Giving additional power to RBI may be an expression of determination of the public authorities to tackle the problem of non-performing assets. However, applying pressure to reduce NPAs by a particular date may help in a broader sense but may weaken the position of the lender vis- a -vis the borrower.

e) If the change in the accounting standards is for the better, it should be accepted.

The Bankers' Meet ended with a vote of thanks to Dr Y V Reddy for delivering the key note address and expressing his candid views on a myriad of topics.

The Unfinished Agenda: Restoring Public Sector Bank Health in India

Dr. Viral V Acharya*

Good evening, friends. I am grateful to the Indian Institute of Banking and Finance (IIBF) for inviting me to deliver the 8th R K Talwar Memorial Lecture. Every institution must remember, venerate and celebrate the immense contributions of those who helped lay down and solidify its character for future generations to build upon. Principles, careers and lives such as those of Mr. Talwar inspire us, as in Henry Wadsworth Longfellow's The Psalm of Life:

Lives of great men all remind us

We can make our lives sublime,

And, departing, leave behind us,

Footprints on the sands of time;

Footprints, that perhaps another,

Sailing o'er life's solemn main,

A forlorn and shipwrecked brother,

Seeing, shall take heart again.

I hope that I can do some justice today to the rich legacy left behind by Mr. Talwar, considered as the State Bank of India (SBI)'s greatest Chairman, the father of Small Scale Industries in India, a banker ahead of his times who put tremendous emphasis on a comprehensive credit appraisal culture at SBI, and someone who had the courage to stand up against political pressure on his bank to undertake targeted lending to undeserving borrowers (an episode recollected in a booklet by another stalwart of Indian banking, Mr. Narayanan Vaghul).

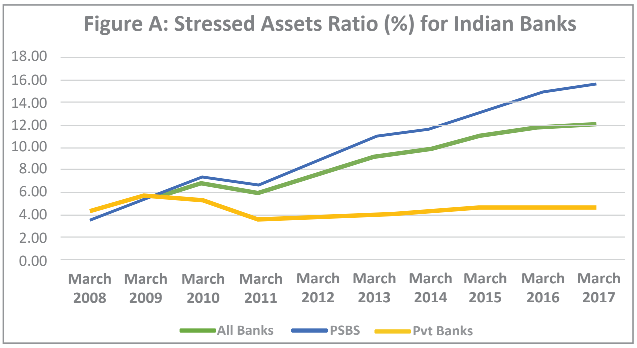
I was originally planning to speak on **"Monetary Transmission in India: Issues and Possible Remedies"**, but I have since had a change of heart. The Reserve Bank's internal committee on improving monetary policy transmission will be finishing its report by the last week of September. I should neither pre-judge nor pre-announce its findings. Therefore, and at the cost of belabouring some of my remarks earlier in the year, I will focus on what remains, to my mind, the most important unfinished agenda in the journey we have embarked upon to resolve our stressed assets problem, viz., that of restoring public sector bank health in India. I will indirectly end up conveying why bank credit growth and transmission are weak at the present.

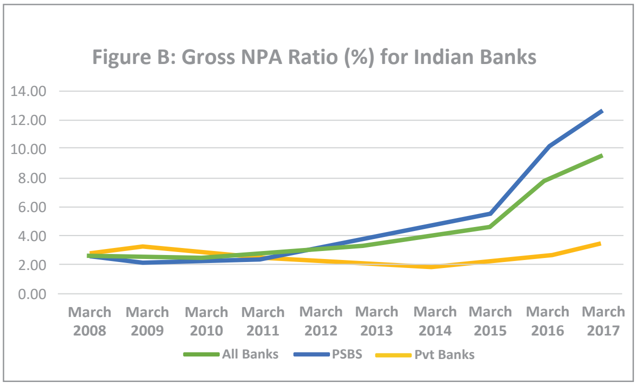
I would like to contend that a primary cause for the recent slowdown in our growth is the stress on the banking sector's balance-sheet, especially of public sector banks. As Figures A and B show using the Reserve Bank's data, the stress in bank assets has been mounting since 2011 and has now materially crystallized in the form of non-performing assets (NPAs). Some banks are under the Reserve Bank's Prompt Corrective Action (PCA) having failed to meet asset-quality, capitalization and/or profitability thresholds; others meet these thresholds for now but are precariously placed in case the provisioning cover for loan losses against their gross non-performing assets (Figure C) is raised to international standards and made commensurate with the low loan recoveries in India.

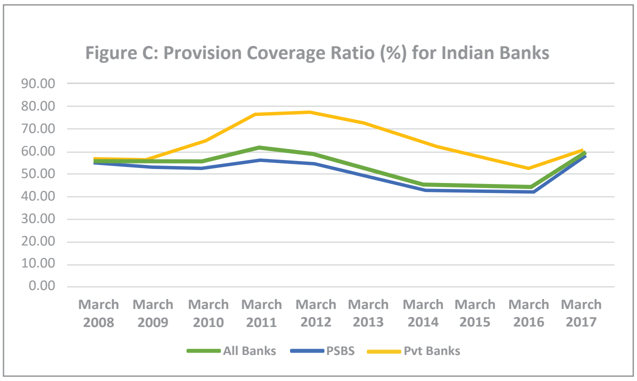
*** Deputy Governor, Reserve Bank of India**

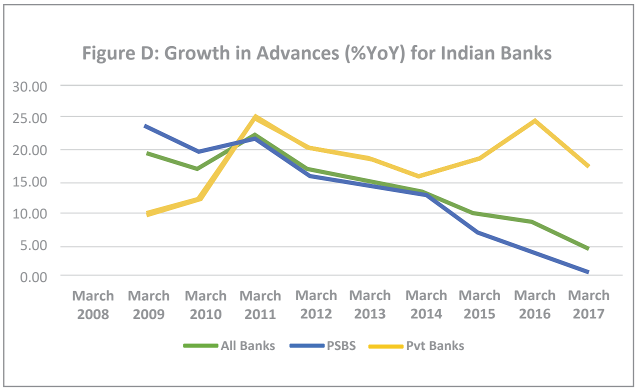
[1] Speech delivered at the 8th R K Talwar Memorial Lecture organised by the Indian Institute of Banking and Finance on September 7, 2017 at Hotel Trident, Mumbai. I would like to thank Vaibhav Chaturvedi, B Nethaji and Vineet Srivastava for valuable inputs, as well as my co-authors, Tim Eisert, Christian Eufinger and Christian Hirsch (parts of the Japanese and the European stories are based on joint work with them). All errors remain my own. Views expressed do not necessarily reflect those of the Reserve Bank of India.

When bank balance-sheets are so weak, they cannot support healthy credit growth. Put simply, under-capitalized banks have capital only to survive, not to grow; those banks barely meeting the capital requirements will want to generate capital quickly, focusing on high interest margins at the cost of high loan volumes. The resulting weak loan supply (see in Figure D, the steady decline in loan advances growth since 2011 for public-sector banks), and the low efficiency of financial intermediation, have created significant headwinds for economic activity.









A decisive and adequate bank recapitalization, options for which I will lay out (again) at the end of my remarks, is a critical intervention necessary to address this balance-sheet malaise.

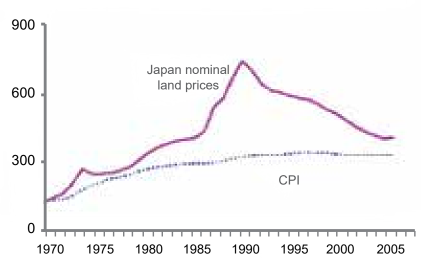
In a recent study from the Bank for International Settlements, Leonardo Gambacorta and Hyun-Song Shin (2016) document that bank capitalization has a strong effect on bank loan supply: a one percentage point increase in a bank's equity-to-total assets ratio is associated with a 0.6 percentage point increase in its yearly loan growth. In fact, if a banking system remains systematically undercapitalized and new lending is not kept under a tight supervisory watch, then the economy can suffer significantly from a credit misallocation problem, now commonly known as 'loan ever-greening' or 'zombie lending'. In particular, undercapitalized banks have an incentive to roll over loans from financially struggling existing borrowers so as to avoid having to declare these outstanding loans as non-performing. With these zombie loans, the impaired borrowers acquire enough liquidity to be able to meet their payments on outstanding loans. Banks thus avoid the short-run outcome that these borrowers might default on their loan payments, which would lower their net operating income, force them to raise provisioning levels, and increase the likelihood of them violating the minimum regulatory capital requirements. By ever-greening these loans, banks effectively delay taking a balance-sheet hit, while taking on significant risk that their borrowers might not regain solvency and remain unable to repay, now even larger loan payments. While unproductive firms receive subsidized credit to be just kept alive, loan supply is shifted away from more creditworthy firms.

Adequate bank, more generally, financial intermediary, capitalization is thus a pre-requisite for efficient supply and allocation of credit. Its central role in supporting economic growth is consistent with what other economies and regulators have experienced in the past episodes of banking sector stress. I will cover briefly the Japanese crisis in the 1990s and early 2000s, and the European crisis since 2009. Professor Ed Kane (1989), Boston College, had reached similar conclusions for the United States based on the Savings and Loans crisis of the 1980s.

The Japanese story

In the early 1990s, a massive real estate bubble collapsed in Japan (see Figure 1). This caused problems for Japanese banks in two ways: first, real estate assets were often used as collateral; second, banks held the affected assets directly, so that the decline in asset prices had an immediate impact on their balance sheets. These problems in the banking system quickly translated into negative real effects for borrowing firms along the lines I laid out above.

FIGURE 1: NOMINAL RESIDENTIAL LAND PRICES AND THE CONSUMER PRICE INDEX (CPI) IN JAPAN



Source: Bank of Japan, Government of Japan (taken from Wilcox, 2008

Subsequently, the Japanese government introduced several measures to stabilize the banking sector and spur economic growth. Among these measures were a series of direct public capital injections into impaired banks, mostly in the form of preferred equity or subordinated debt. However, as conclusively shown by Table 1 from Takeo Hoshi and Anil Kashyap (2010), bulk of the injections came after 1999, close to a decade after the collapse; the economic scale of earlier recapitalizations was small relative to that of banking sector's real estate exposure so that these half-hearted measures failed to adequately recapitalize the Japanese banking sector.

Table 1. Capital injection programmes in Japan (in trillions of yen)

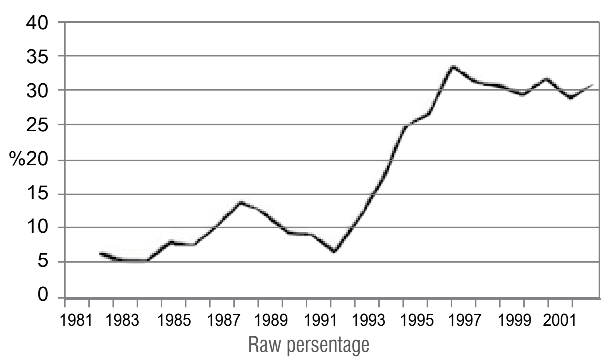
Legislation	Date of injection	Amount injected
Financial Function Stabilization Act	3/1998	1.816
Prompt Recapitalization Act	3/1999-3/2002	8.605
Financial Reorganization Promotion Act	9/2003	0.006
Deposit Insurance Act	6/2003	1.960
Act for Strengthening Financial Functions	11/2006-3/2009	0.162

Source: Hoshi and Kashyap (2010).

Joe Peek and Eric Rosengren (2005) were among the first to provide evidence that this inadequate recapitalization of the Japanese banking sector had major consequences for the allocation of credit to the real economy. Specifically, they showed that firms were more likely to receive additional loans if they were in fact in poor financial condition. They interpreted this finding as being consistent with the 'zombie lending' incentives of undercapitalized banks. Figure 2 shows that the percentage of zombie firms increased from roughly 5% in 1991 to roughly 30% in 1996. In related work, Mariassunta Giannetti and Andrei Simonov (2013) found that banks that remained weakly capitalized after the introduction of the recapitalization programmes provided loans to impaired borrowers, while well-capitalized banks increased credit to healthy firms. The authors estimated that the credit supply to healthy firms could have been 2.5 times higher in 1998 if banks had been recapitalized sufficiently.

In turn, this misallocation of loans translated into significant negative effects for the real economy. Because zombie lending kept distressed borrowers alive artificially, the respective labor and supply markets remained congested; for example, product market prices were depressed and market wages remained high. Sectoral capacity utilization also remained low, which destroyed the pricing power and attractiveness of investments for healthy firms competing in the same sectors. Ricardo Caballero, Takeo Hoshi and Anil Kashyap (2008) showed that, as a result of these spillover effects, healthy firms that were operating in industries with a high prevalence of zombie firms had lower employment and investment growth than healthy firms in those industries that did not suffer from zombie firm distortions. They estimated that due to the rise in the number of zombie firms, typical non-zombie firm in the real estate industry experienced a 9.5% loss in employment and a whopping 28.4% loss in investment during the Japanese crisis period.

Figure 2: Prevalence of Firms Receiving Subsidized Loans in Japan



Source: Caballero et al. (2008).

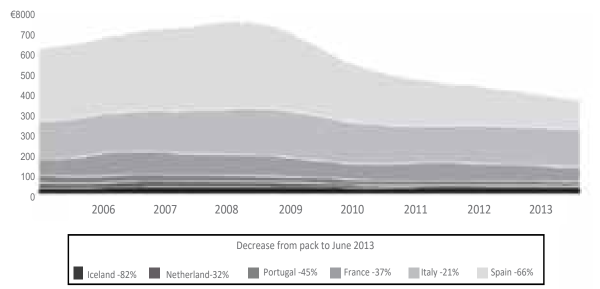
The European story

In recent years, the Eurozone has been following a similar path to that of the Japanese economy in the 1990s and early 2000s. Starting in 2009, countries on the periphery of the Eurozone drifted into a severe sovereign debt crisis. At the peak of the European debt crisis, in 2012, anxiety over excessive levels of national debt led to interest rates on government bonds issued by countries in the European periphery that were considered unsustainable. For instance, from mid-2011 to mid-2012, the spreads of Italian and Spanish 10-year government bonds increased by 200 and 250 basis points, respectively, relative to German government bonds. Since this deterioration in the sovereigns' creditworthiness fed back into the financial sector (Acharya et al, 2015), lending to the private sector contracted substantially in Greece, Ireland, Italy, Portugal, and Spain (the 'GIIPS' countries), as shown in Figure 3. In Ireland, Spain, and Portugal, for example, the volume of newly issued loans fell by 82%, 66%, and 45% over the 2008-13 period, respectively.

However, the impact of the European debt crisis on bank lending is more complex than in the case of the Japanese banking crisis, which was mainly caused by the bursting of an asset price bubble and the resulting impairment of banks' financial health. While the European debt crisis also caused a hit on banks' balance sheets due to the substantial losses on their sovereign bond-holdings, in addition it created gambling-for-resurrection incentives for weakly capitalized banks from countries in the European periphery. These banks sought to increase their risky domestic sovereign bond-holdings even further as they were an attractive bet to rebuild capital quickly given zero risk-weights. This incentive led to a crowding-out of lending to the real economy, thereby intensifying the credit crunch (Acharya and Steffen, 2014).

This vicious cycle of poor bank health and sovereign indebtedness became a matter of great concern for the European Central Bank (ECB), as this cycle endangered the monetary union as a whole. As a

Figure 3: Volume of new loans to non-financial corporations up to 1 million euro, 12- month cumulative flows



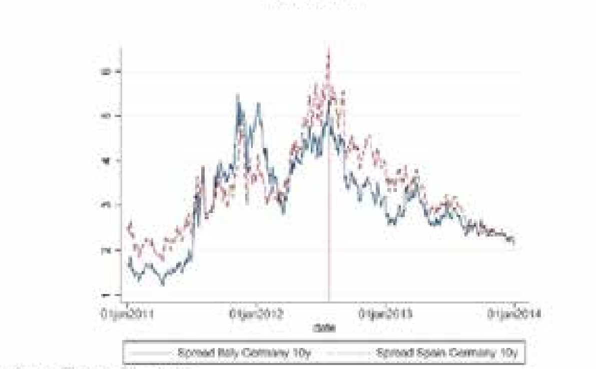
Source: Restoring Financing and Growth to Europe's SMEs", IIF/Bain report, 2013.

result, the ECB began to introduce unconventional monetary policy measures to stabilize the Eurozone and to restore trust in the periphery of Europe. Especially important in restoring trust in the viability of the Eurozone was the ECB's Outright Monetary Transactions (OMT) programme, which ECB President Mario Draghi announced in his famous speech in July of 2012, saying that "*the ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough.*"

There is now ample empirical evidence that the announcement of the OMT programme significantly lowered sovereign bond spreads, as shown by Figure 4. By substantially reducing sovereign yields, the OMT programme improved the asset side, the capitalization, and the access to financing of banks with large GIIPS sovereign debt holdings.

Due to its positive effect on banks' capital, it was expected that the OMT announcement would lead to an increase in bank loan supply, thus benefiting the real economy. However, when Mario Draghi reflected on the impact of the OMT programme on the real economy during a speech in November 2014, he noted that *"[T]hese positive developments in the financial sphere have not transferred fully into the economic sphere. The economic situation in the euro area remains difficult. The euro area exited recession in the second quarter of 2013, but underlying growth momentum remains weak. Unemployment is only falling very slowly. And confidence in the overall economic prospects is fragile and easily disrupted, feeding into low investment."*

Figure 4: Spread between German and Spanish/Italian 10 year sovereign bond yields



Source: Thomson Datastream.

An important reason why the positive financial developments did not fully transfer into economic growth is as follows: An indirect recapitalization measure like the OMT programme produced Treasury gains for banks (much like our policy-rate cuts do); such a measure allows the central bank to benefit banks that hold troublesome assets, but it does not tailor the recapitalization to banks' specific needs. As a result, some European banks remained significantly undercapitalized from an economic standpoint even post-OMT.

In joint work with Tim Eisert, Christian Eufinger and Christian Hirsch (Acharya et al, 2016), I have confirmed that zombie lending is indeed the likely explanation for why the OMT programme did not fully translate into economic growth. Our study shows that banks that benefited more from the announcement but remained nevertheless weakly capitalized, extended loans to existing low-quality borrowers at interest rates that were below the rates paid by the most creditworthy European borrowers (high-quality public borrowers in non-GIIPS European countries, e.g., Germany), a strong indication of the zombie lending behaviour.

Such lending did not have a positive impact on real economic activity of the zombie firms: neither investment, nor employment, nor return on assets changed significantly for firms that were connected to the under-capitalized banks. Similar to the spillovers during the Japanese crisis, the post-OMT rise in zombie firms had a negative impact on healthy firms operating in the same industries due to the misallocation of loans and distorted market competition. In particular, healthy firms in industries with an average increase in the proportion of zombie firms invested up to 13% less capital and experienced employment growth rates that were about 4% lower compared to a scenario in which the proportion of zombies stayed at its pre-OMT level. At extremis, for an industry in the 95th percentile increase in zombie firms, healthy firms invested up to 40% less capital and experienced employment growth rates up to 15% lower.

The Indian story: Can we end it differently?

In many ways, the problems experienced in Japan and Europe have been rather similar. Both regions went through a period of severe banking sector stress (although triggered by different causes) and failed to adequately recapitalize their struggling banking sectors. Bank and other stressed balance-sheet problems were neither fully recognized nor addressed expediently.

In Japan, a likely explanation for the cautious introduction of recapitalization measures is that the authorities were afraid of strong public resistance when announcing large-scale recapitalization, as initial smaller support measures had already caused public outrage. In addition, Japanese officials generally feared sparking a panic on financial markets when disclosing more transparent information about the health of banks.

In Europe, introducing proper recapitalization measures has been challenging due to the political circumstances and constraints of the Eurozone. In contrast to a single country like Japan, 19 member states have to come together in the Eurozone and decide on a particular policy measure. In addition, even if a particular policy is helping the Eurozone as a whole, it might not be optimal for each individual country experiencing divergent economic outcomes.

While our initial conditions look ominously similar to these episodes and there are many parallels with how things have played out at our end, we may be fortunate in not having many of these constraints. Hence, I believe we can, we should, and in fact, we must do better. We are at a substantially lower per-capita GDP than these countries and a sustained growth slowdown has the potential to really hurt economic prospects of the common man.

With this overall objective, let me first turn to what I consider the positives of the balance-sheet resolution agenda that the Reserve Bank and the Government of India have embarked upon. I will then highlight the unfinished part of this agenda – its Achilles' heel – the lack of a clear and concrete plan for restoring public sector bank health.

Resolution of Stressed Assets

To address cross-bank information asymmetry and inconsistencies in asset classification, the Reserve Bank created the Central Repository of Information on Large Credits (CRILC) in early 2014. To end the asset classification forbearance for restructured accounts, the Reserve Bank announced the Asset Quality Review (AQR) from April 1, 2015. The objective was to get the banks to recognize the hitherto masked stress in their balance sheets. The AQR is now complete. The Reserve Bank is neither denying the scale of the NPAs nor trying to forbear on them. Instead, it is fully focused on resolving the assets recognized as NPAs.

In the absence of an effective, time-bound statutory resolution framework, various schemes were introduced by the Reserve Bank to facilitate viable resolution of stressed assets. While the schemes were designed, and later modified, to address some of the specific issues flagged by various stakeholders in individual deals, the final outcomes have not been too satisfactory. The schemes were cherry-picked by banks to keep loan-loss provisions low rather than to resolve stressed assets. It is in this context that enactment of the Insolvency and Bankruptcy Code (IBC) in December 2016 can be considered to have significantly changed the rules of the game. It is still early days but the number of bankruptcy cases which have been filed by operational as well as financial creditors is encouraging. Many cases have been admitted and the 180 day clock (extendable by further 90 days) for these cases to resolve has already started.

The promulgation of the Banking Regulation (Amendment) Ordinance 2017 (since notified as an Act) and the subsequent actions taken thereunder, have made the IBC a lynchpin of the new resolution framework. There were legitimate concerns that if the Reserve Bank directs banks to file accounts under the IBC, it would enter the tricky domain of commercial judgments on specific cases. However, the approach recommended by the Internal Advisory Committee (IAC) constituted by the Reserve Bank for this purpose has been objective and has allayed these misgivings. The IAC recommended that the Reserve Bank should initially focus on stressed assets which are large, material and aged, in that they have eluded a viable resolution plan despite being classified as NPAs for a significant amount of time. Accordingly, the Reserve Bank directed banks to file insolvency applications against 12 large accounts comprising about 25% of the total NPAs. The Reserve Bank has now advised banks to resolve some of the other accounts by December 2017; if banks fail to put in place a viable resolution plan within the timelines, these cases also will be referred for resolution under the IBC.

The Reserve Bank has also advised banks to make higher provisions for these accounts to be referred under the IBC. This is intended to improve bank provision coverage ratios (see Figure C) and to ensure that banks are fully protected against likely losses in the resolution process. The higher regulatory minimum provisions should enable banks to focus on what the borrowing company requires to turnaround rather than on narrowly minimizing their own balance-sheet impacts. This should also help transition to higher, and more countercyclical, provisioning norms in due course.

Going forward, the Reserve Bank hopes that banks utilize the IBC extensively and file for insolvency proceedings on their own without waiting for regulatory directions. Ideally, in line with international best practice, out-of-court restructuring may be the right medicine at 'pre-default' stage, as soon as the first signs of incipient stress are evident or when covenants in bank loans are tripped by the borrowers. Once a default happens, the IBC allows for filing for insolvency proceedings, time-bound restructuring, and failing that, liquidation. This would provide the sanctity that the payment 'due date' deserves and improve credit discipline all around, from bank supply as well as borrower demand standpoints, as borrowers might lose control in IBC to competing bidders.

Whither are we headed on restoring public sector bank health?

So far so good. Oft when on my couch I lie in vacant or in pensive mood, the realization that we have put in place a process that not just addresses the current NPA issues, but is also likely to serve as a blueprint for future resolutions, becomes the bliss of my solitude! A whole ecosystem is evolving around the IBC and the Reserve Bank's steps have contributed to this structural reform. I smile and rest peacefully at night with this thought… But every few days, I wake up with a sense of restlessness that time is running out; we have created a due process for stressed assets to resolve but there is no concrete plan in place for public sector bank balance-sheets; how will they withstand the losses during resolution and yet have enough capital buffers to intermediate well the huge proportion of economy's savings that they receive as deposits; can we end the Indian story differently from that of Japan and Europe?

The Government of India has been infusing capital on a regular basis into the public sector banks, to enable them to meet regulatory capital requirements and maintain the government stake in the PSBs at a benchmark level (set at 58 percent in December 2010, but subsequently lowered to 52 percent in December 2014). In 2015, the Government announced the *"Indradhanush"* plan to revamp the public sector banks. As part of that plan, a program of capitalization to ensure the public-sector banks remain BASEL – III compliant was also announced. However, given the correctly recognized scale of NPAs in the books of public sector banks and the lower internal capital augmentation given their tepid, now almost moribund, credit growth, substantial additional capital infusion is almost surely required. This is necessary even after tapping into other avenues, including the sale of non-core assets, raising of public equity, and divestments by the government.

The Cabinet Committee on Economic Affairs has recently authorised an Alternative Mechanism to take decision on the divestment in respect of public sector banks through exchange-traded funds or other methods subject to the government retaining 52% stake. Synergistic mergers may also be part of the broader scheme of things. The Union Cabinet has also authorized an Alternative Mechanism for approving amalgamation of public sector banks. The framework envisages initiation of merger proposal by the Bank Boards based on commercial considerations, which will be considered for in-principle approval by the Alternative Mechanism. This could provide an opportunity to strengthen the balance sheets, management and boards of banks and enable capital raising by the amalgamated entity from the market at better valuations in case synergies eventually materialize.

All of this is good in principle. There are several options on the table and they would have to work together to address various constraints. What worries me however is the glacial pace at which all this is happening.

Having embarked on the NPA resolution process, indeed having catalysed the likely haircuts on banks, can we delay the bank resolution process any further?

Can we articulate a feasible plan to address the massive recapitalization need of banks and publicly announce this plan to provide clarity to investors and restore confidence in the markets about our banking system?

Why aren't the bank board approvals of public capital raising leading to immediate equity issuances at a time when liquidity chasing stock markets is plentiful? What are the bank chairmen waiting for, the elusive improvement in market-to-book which will happen only with a better capital structure and could get impaired by further growth shocks to the economy in the meantime?

Can the government divest its stakes in public sector banks right away, to 52%? And, for banks whose losses are so large that divestment to 52% won't suffice, how do we tackle the issue?

Can the valuable and sizable deposit franchises be sold off to private capital providers so that they can operate as healthy entities rather than be in the intensive care unit under the Reserve Bank's Prompt Corrective Action (PCA)? Can we start with the relatively smaller banks under PCA as test cases for a decisive overhaul?

These questions keep me awake at nights. I fear time is running out. I worry for the small scale industries that Mr Talwar cared the most about, which are reliant on relationship-based bank credit. The *Indradhanush* was a good plan, but to end the Indian story differently, we need soon a much more powerful plan – "Sudarshan Chakra" – aimed at swiftly, within months if not weeks, for restoring public sector bank health, in current ownership structure or otherwise.

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BANK QUEST THEMES FOR COMING ISSUES

The themes for next issues of "Bank Quest" are identified as:

- Micro Research Papers 2017: October - December, 2017
- Cyber Security in Banks: January - March, 2018
- International Banking: April - June, 2018
- Risk Management: July - September, 2018

Why UPI is a game changer in Payments system ?

A.P. HOTA*

While inaugurating Unified Payments Interface (UPI) in April 2016, former Governor Reserve Bank of India had described UPI as the "one of the best public owned inter-operable mobile payment infrastructure in the world". Shri Nandan Nilekani, on the same occasion had described the development as "game changing". Let us discuss as why UPI is described that way.

Functionality :

UPI is a quantum leap over Immediate Payment System (IMPS) in terms of functionality. IMPS is a real time 24x7 money transfer system operational since 2010. This required a revamp and UPI has been introduced on the top of IMPS rails with rich functionality :

First, a customer cannot only ***send*** money instantly, but also make a ***collect*** request. The transaction can, thus be, either ***push*** (customer initiated) or ***pull*** (merchant initiated). In a pull based transaction, the beneficiary initiates the payment request via UPI and the payer just authenticates the payment. When used for shop-floor merchant payments, there is no need for asset heavy POS terminals. Push and pull can be made both for individual transactions as well as merchant transactions. In due course of time, the system can be extended for bulk payments or bulk collection as well.

Second, a customer of one bank can download the UPI application of another bank and still access his/her bank account without having to change the bank account. Customer has now an option to keep the banking account in one bank and avail of the payments service from another bank. For the limited purpose of payment services, it is a form of bank portability.

Third, a customer can identify himself/herself with just an email like address called Virtual Payment Address (**VPA**) which looks like xxx@yyy where xxx can be determined by the customer and yyy stands for the bank providing the App. There is no need for entering IFSC code and account number where chance of making data entry mistake is high. A customer using BHIM- the NPCI developed UPI app, a customer can use mobile number of Aadhar Number @UPI as VPA. Thus, UPI minimises frictions and enhances user experience. The beneficiary customer need not disclose in which bank he/she maintains the account or other account details.

Fourth, QR code based Scan and Pay is a key feature of UPI. If the beneficiary information is QR coded, the paying customer can just scan, include the amount and pay. If the beneficiary information includes the amount as well, the task is still simple. Payments get made with just scan and authenticate. New version of BHIM supports Bharat QR as well. Thus the merchants can display one QR code, that facilitates mobile based card payments as well as UPI. The

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merchant base created for Bharat QR gets available for mobile payment customers as well.

Fifth, a customer can link all his/her bank accounts in a single App and opt for any specific account for debit while doing a Send transaction. While receiving one of the account can be made the default. Thus, a customer having 3-4 bank accounts can operate all the accounts through a single UPI App.

Sixth, UPI integrates smart phone based services on the feature phone as well and enriches the usages of USSD channel. Basic services of Send Money and Collect money and the power of VPA is available to feature phone customers as well.

Seventh, UPI has the facility of recording customer complaint through the UPI application itself. The solution tracks the status and lets the customer know the position.

Eighth, UPI has an in-built feature of storing the transaction history that the customer can download in the form of a report for specified period.

Technology

Apart from the above rich features of business functionality, UPI is also a breakthrough in payments technology :

First, UPI has been designed with a number of standardised APIs making the development efforts significantly lower for all the banks ensuring high performance. It is evident from the fact that a large number of functionalities have been added by the member community over four version changes in one year. For the members community, the APIs are common. New functionalities can be added very easily

Second, UPI has been designed for finger printing of customer's device ensuring thereby that the mobile itself acts as the first factor of authentication: "what you have". While ensuring security, this makes transaction processing faster. If a customer downloads the UPI package on a rooted device, an alert is given about the security risk and installation happens only with specific consent of the customer and the bank.

Third, NPCI has provided a common library to member banks to embed in their Customer App. The library provides standardised way of PIN entry and gives confidence to the banks that if the customers enters the PIN in the App of another bank (payment system provider bank), the credential is not compromised. There is no need for customer to be redirected to customer's own bank for entering the PIN. Such an industry level assurance of credential confidentiality adds to the confidence level of the payment system.

Fourth, UPI platform is asset-light when used for shop floor payments. No other end point infrastructure such as cards with EMV chips, PoS terminals, NFC enabled terminals etc. are required.

Fifth, UPI infrastructure at NPCI and the banks' ends have been designed for horizontal and vertical scalability. In-memory processing has been used extensively for high performance and large volume processing.

Sixth, NPCI and banks - the entire community has gone for open source technology extensively – Java, Postgress database, Linux OS and open source monitoring and analytics utility like Kibana. Banks have experienced UPI implementation as one of their most cost effective technology implementation.

Seventh, Steps have been initiated for UPI to support biometric authentication leveraging Aadhar database and also Real Time mandate creation for various forms of repetitive direct debits. Developmental work for such path breaking integration has already commenced.

Competition

UPI has also introduced new dimension of competition in the payments market.

First, banks could offer payment services far better than the Pre Paid issuers who were marching ahead of banks in providing user experience. Scan & Pay functionality of UPI has enabled the banks to compete with PayTM in frictionless payments.

Second, banks have also started competing with each other retain their customers by enriching their user interface and serving. A customer has now the choice to down load any bank's application.

Third, with introduction of BHIM - a UPI package offered by NPCI, customer can make use of a bank-neutral App which competes with bank App.

The biggest beneficiaries of this competition have been the bank customers.

UPI today covers 52 member banks with active customer bases of about 7 million with monthly volume of about 12 million payment transactions. Merchant payments category account for 20 percent of transactions with the rest pertaining to Peron to personal remittance. Of all the UPI packages, BHIM remains to be the most popular generating close to 50 percent of transactions. Almost all major aggregators of on-line payments have enrolled for UPI. Utility billers have started printing QR codes on their bills so that customers can just scan and pay. More and more online and off line merchants have started accepting UPI as the payment mode complementing credit card, debit card and net banking. Though, it is a new entrant in payment mode, it is likely to overtake net banking to start with and then credit and debit card.

A new paradigm of payments is being created and it can be well argued that UPI has been a game changer.

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4. Emergence of Payment Banks
5. Small Finance Banks: Complimentary or Supplementary
6. Challenges and opportunities in Peer to Peer Lending
7. New perspectives from Analytics for credit appraisal
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De- to Re-monetization
Banks' journey hitherto … and henceforth

Dr. M.R. Das*

The Backdrop

The Indian economy witnessed an important development on Nov 8, 2016 when the then existing INR 500 and INR 1,000 notes (hereafter referred to as Specified Bank Notes or SBNs) were demonetized and simultaneously, a new denomination INR 2,000 note along with a newly designed INR 500 note was introduced. Announcing the measure, the Prime Minister said that it would combat "corruption, black money and fake notes." The Finance Minister added that "The goal … is to clean transactions, [to] clean money."

An estimated 23 billion banknotes valued at INR 15.44 trillion were demonetized, constituting 86.4% of Currency in Circulation (CiC) by value at Mar-end 2016, or nearly 10% of Gross Domestic Product (GDP). Obviously, the sudden, gigantic move affected in several ways every sector and everyone in possession of SBNs.

Bhagwati, *et al*. lauded demonetization as "a courageous and substantive economic reform" ... with "potential to generate large future benefits."[1] The Wharton School of Management pundits acclaimed it as "a bold, even visionary, step" and "better to do it than not"[2] Taking a long-term view, both World Bank and International Monetary Fund (IMF) welcomed the step in the direction of rapid "formalization of the economy" which will impact salubriously the public finance, financial inclusion, digitalization of transactions and bank liquidity.[3,4] Industry and corporate captains supported the decision with the Confederation of Indian Industry hailing it as a "masterstroke." A CRISIL report said that it could "change the face of the Indian economy."[5] Calling the impact on economy as "transient", RBI commented that demonetization would accelerate financialization of household savings and digitalization of transactions.[6, 7, 8]

Contrastingly, the Nobel economist Amartya Sen called the move "despotic action" … striking "at the root of economy based on trust."[9] In similar note, another Nobel economist Paul Krugman called it an "unusual move" and a "highly disruptive way to do it" with "hardly any "significant long-run gains."[10] Kaushik Basu termed it as "poorly designed … a ham-fisted move … [which] is likely to rock the entire economy."[11] A Harvard Business Review paper designated it as "a case study in poor policy and even poorer execution."[12] Rogoff, whose book *The Curse of Cash* focusing on demonetization was published a

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[1]http://blogs.timesofindia.indiatimes.com/toi-edit-page/war-on-black-money-demonetisation-is-a-courageous-reform-that-will-bring-substantive-benefits/

[2]http://knowledge.wharton.upenn.edu/article/demonetization-india-will-pay-price/

[3]http://www.worldbank.org/en/news/press-release/2017/05/29/india-economic-fundamentals-remain-strong-investment-pick-up-needed-sustained-growth-says-new-world-bank-report

[4]http://www.imf.org/en/News/Articles/2017/02/21/NA022217-For-India-strong-growth-persists-despite-new-challenges

[5]CRISIL Research, "Significant structural benefits on the cards for India", Nov 9, 2016.

[6]RBI Annual Report, 2016-17.

[7]RBI (Mar 10, 2017), "Macroeconomic Impact of Demonetisation - A Preliminary Assessment."

[8]RBI (Aug 2017), Mint Street Memo No.01, "Demonetisation and Bank Deposit Growth."

[9]http://www.thehindu.com/news/national/Amartya-Sen-terms-demonetisation-a-despotic-action/article16730675.ece

[10]http://www.livemint.com/Politics/6WQRkoCktgAJdagFSkclVN/Demonetisation-may-not-deliver-long-term-benefits-to-India.html

[11]https://mobile.nytimes.com/2016/11/27/opinion/in-india-black-money-makes-for-bad-policy.html?referer=https://www.google.com.au/

[12]https://hbr.org/2017/03/early-lessons-from-indias-demonetization-experiment

month before the demonetization, opined that it "was flawed in many respects" and favored very gradual elimination of Large Denomination Notes (LDN).[13] The former Prime Minister and renowned economist Manmohan Singh termed the implementation as "monumental mismanagement."[14] Raghuram Rajan, the former RBI Governor and noted global economist, said that short-term note ban costs would outweigh long-term benefits.[15] A National Institute of Public Finance and Policy (NIPFP) Working Paper termed it as "a large shock to the economy" which would "contract economic activity."[16]

The initial objectives of demonetization were three-fold, i.e., to tackle: (a) corruption, (b) black money and (c) counterfeit notes. However, since it was realized that these objectives could not be served without effectively curtailing the exorbitant level of cash transactions, promoting non-cash payments chiefly via digital means, which leave trails thereby ensuring auditability and transparency leading ultimately to increased fiscal resources and curb on unlawful activities, emerged as the fourth objective.

Two demonetization moves preceded the current one: in 1946 and 1978. In 1978, INR 1,000, 5,000 and 10,000 denomination notes were demonetized through an ordinance. In the context of the 1978 demonetization, the World Bank (2017) observes: "these high denomination notes accounted for just 1.7 percent of the total value of notes in circulation and a substantial window was offered to replace them. The denominations were much larger in real terms, which did not interfere with the payment system."[17]

Other countries which have implemented demonetization include: European Union (2002), USA (1946), Zimbabwe (2015), Australia (1996), Pakistan, the UK (1971) and Philippines (2015) - successful operations - and Nigeria (1984), Ghana (1982), North Korea (2010), Soviet Union (1991), Myanmar (1987) and Congo (1990s) - failed operations.[18] By Aug-end 2017, Sweden would have recalled about 1.6 billion kronor one-, two- and five-krona coins worth USD 200 million to modernize its coins.

World Bank (*ibid*.) further observes, "almost all other historical examples of currency exchanges occurred either in circumstances of hyperinflation, or provided a longer period during which new and old notes were valid. In contrast, in the recent episode legal tender of the old notes was withdrawn with immediate effect and with limited exceptions new and old notes were not allowed to circulate in parallel."

Motivation

In the entire exercise of the 2016 demonetization and afterwards, the banking sector played a pivotal role which was quite but natural since banks are the financial intermediaries. However, banks and their employees remained 'unsung heroes'. Even in terms of media coverage and academic analyses,[19 20] detailed attention is still elusive as to: how the banking business was affected, is being affected now, and will continue to be affected in near future. The apathetic attitude towards the banking sector provides the springboard for this article. It aims at filling up the research gap and helping policymakers in future in case such measures are repeated.

[13]http://timesofindia.indiatimes.com/india/much-to-learn-from-aadhaar-harvard-professor/articleshow/59719506.cms

[14]http://timesofindia.indiatimes.com/Monumental-mismanagement-Former-PM-Manmohan-Singh-chastises-PM-Modi-for-poor-implementation-of-demonetisation/articleshow/55596811.cms

[15]http://economictimes.indiatimes.com/articleshow/60361552.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

[16]NIPFP, "Demonetisation: Impact on the Economy", Working Paper No.182, Nov 14, 2016.

[17]World Bank (May 2017), "India Development Update – Unlocking Women's Potential".

[18]http://www.spellerstep.com/information/demonetization-can-successful-6-countries-proved/ and http://www.spellerstep.com/latest/biggest-demonetization-failures-world/

[19]The NIPFP Working Paper does deal with some of the transition issues before banks and the payment systems, but on 'if and then' basis.

[20]RBI Mint Street Memo No.01 (ibid.) estimated the "excess" deposit growth with banks due to demonetization at INR 2.8 to 4.3 trillion.

Research Issues

Banks constitute the backbone of the financial system by providing financial intermediation function and ensuring smooth working of the payment systems. The interplay of these functions makes banks "special". There is no doubt that demonetization was disruptive for banks. Therefore, the first and foremost objective of the paper is to investigate the nature and extent to which the above-mentioned two 'classical' functions were affected. Secondly, it enunciates certain policy measures with a view to making the positive outcome of the 'churning' durable.

Structure of the Paper

The rest of the paper runs as follows: Section 1 focuses on the monetary scenario preceding demonetization; Section 2 summarizes the macroeconomic impact hitherto; Section 3 carries out an in-depth analysis of the impact on the financial intermediation function; Section 4 studies the changes in the payment systems; Section 5 discusses the policy issues; and Section 6 concludes.

Database

Data relating to the banking sector have been sourced from RBI. Some other data have been collected from publicly available authentic sources. Data are latest up to Sep 5, 2017. (Data downloaded from respective Web Sites).

Section 1: Monetary Scenario Preceding Demonetization

Before proceeding further, it is pertinent to glance through the monetary scenario (Table 1) which, in a way, supported the demonetization move. One needs to pay attention to the shaded portion in Table 1. That 2015-16 and 2016-17 reflected unusually high figures compared to the preceding years in respect of almost all the parameters is easily discernible.

Table 1: Monetary Scene, 2011-12 to 2016-17

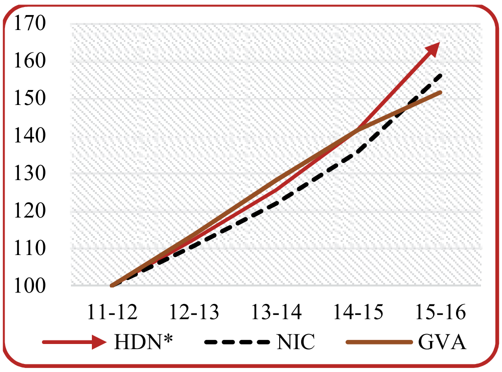
Parameter	YOY Growth Rate						
	11-12	**12-13**	**13-14**	**14-15**	**15-16**	**EGR#**	**16-17***
CiC	12.4%	11.6%	9.2%	11.3%	14.9%	10.8%	17.2%
Broad Money (M3)	13.5%	13.6%	13.4%	10.9%	10.5%	11.4%	10.9%
500-Note	15.2%	4.5%	6.4%	15.1%	19.7%	10.4%	
1000-Note	14.6%	23.9%	18.2%	10.5%	12.7%	15.1%	NA
All Notes	12.5%	10.6%	10.2%	11.4%	14.9%	10.9%	
Ratio of CiC to							
M3	14.5%	14.2%	13.7%	13.7%	14.3%		14.3%
Demand Deposits (DD)	150.1%	158.1%	160.2%	162.4%	166.8%	NA	169.1%
Time Deposits (TD)	18.9%	18.3%	17.4%	17.5%	18.4%		18.4%
Ratio of 500 and 100 Notes to Total Notes in Circulation (NiC)							
	81.7%	82.9%	84.0%	85.2%	86.4%	NA	

*# Exponential Growth Rate 2015-16 over 2011-12. * At Oct-end. NA – Not Available.*

Further, Chart 1 reveals that both NiC and High Denomination Notes (HDN) were fast competing with Gross Value Added (GVA) and in 2015-16, both crossed GVA by 2.9% and 8.9% respectively.

As per Table 2, although the Fake Indian Currency Notes (FICN) per million pieces of NiC was low at 7.0, it was relatively high in respect of HDN. Secondly, between 2011-12 and 2015-16, the same declined in respect of HDN, but the levels remained elevated. Thirdly, 2014-15 witnessed sudden spurt in YOY growth of FICN.

Chart 1: NIC, HDN vis-a-vis GVA



** 500 and 1,000.*

end 2017 (86.4% at Mar-end 2016), including 50.2% share of INR 2,000 notes. In aggregate, over 29 billion pieces of notes were supplied, 3.5% above the indent.

- During 2016-17, over 0.76 million pieces of FICN were detected in the banking system, up 20.4% over 2015-16. Except INR 100, FICN increased across denominations, mainly in INR 500 and 1,000. Overall, FICN per million pieces of NiC was 7.6 – 54, 2,880 and 0.2 in respect of INR 500, 1,000 and 2,000 respectively.

Table 2: FICN - Some Dimensions

Year	No. of FICNs -YOY Growth			FICN per million pieces of NiC		
	500	1,000	Total	500	1,000	Total
11-12	22.6%	53.9%	19.6%	29.4	24.0	7.5
12-13	-6.8%	18.2%	-4.4%	26.2	22.9	6.8
13-14	-10.3%	11.8%	-2.0%	22.1	21.7	6.3
14-15	8.6%	19.2%	21.7%	20.9	23.4	7.1
15-16	-4.5%	9.1%	6.5%	16.7	22.6	7.0
EGR	-3.1%	13.7%	5.7%			

Viewed globally, cash-use in India is very high; in a group of 15 countries,[21] it was the 4th highest (CIC volume), 14th highest (per inhabitant), 2nd highest (ratio to GDP) and highest (ratio to narrow money) (2015).

Section 2: Macroeconomic Impact

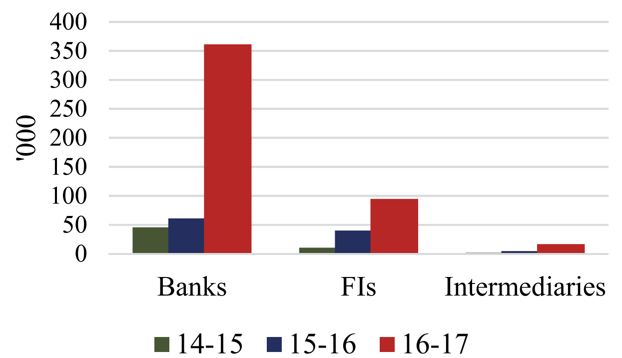
- The RBI Annual Report (2016-17) estimated the value of SBNs received as on Jun 30, 2017 at INR 15.28 trillion which worked out to 98.96% of the value of currency demonetized.
- NiC at Mar-end 2017 stood at over 100 billion pieces which was 11% above that a year ago. Value-wise, these were INR 13,102 billion, down 20.2% YOY. In value terms, INR 500 and above banknotes constituted 73.3% of the total at Mar-
- As per Central Statistics Office (Press Note: May 31, 2017), reflecting reduced economic activities, 2016-17 Q3 real GDP growth rate slid to seven percent from 7.5% in Q2 and 7.2% a year ago. The Q4 growth rate was further less at 6.1% compared to 7.9% a year ago. The 2016-17 annual growth rate is estimated at 7.1% as against eight percent in 2015-16. The 2017-18 Q1 growth rate is estimated at 5.7% - a three-year low - down from 7.9% a year ago (Press Note: Aug 31, 2017).
- Demonetization led to softening of vegetables prices in the initial days, but its effect was mute afterwards.
- Post-demonetization, the Policy Repo Rate remained unchanged at 6.25% up to Jul-end, but reduced to 6.0% on Aug 2. Marginal Cost Lending

[21] Australia, Brazil, Canada, India, Japan, Korea, Russia, Singapore, South Africa, Sweden, Switzerland, Turkey, the UK, USA and the Euro Area. Based on the Bank for International Settlements database.

Rates and Term Deposit Rates (above one year) of banks softened with some reducing their Savings Bank rates for retail depositors. Weighted Average Call Rate, though remained below the Policy Repo Rate, reflected upward movement. Treasury Bill rates were low but topsy-turvy.

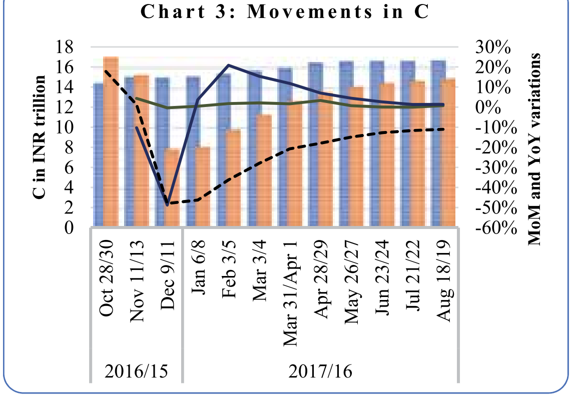
- INR-USD rate remained, by and large, stable, with an appreciating trend.
- Economic Survey (2016-17) Volume II estimated that 0.54 million taxpayers were added due to demonetization with possible additional Returned Income of nearly INR 106 billion.
- A lot of suspicious transactions came to the fore (Chart 2).

Chart 2: No. of Suspicious Transaction Reports Filed



- The impact on Currency with the Public (C) is illustrated in Chart 3.

Chart 3: Movements in C



Blue column denotes Oct 28, 2016 to Jul 21, 2017 and red the similar period previous year. Dark blue line denotes Month-on-Month (MoM) variations over Nov 11, 2016 to Aug 18, 2017 and green line the same over the similar period previous year. Broken line denotes YOY variations.

Observations

- Decline in C bottomed out by Dec 9 after which, it gradually moved up. The decline was owing to: (a) depositing SBNs with banks, (b) inadequate availability of LDN and (c) use-up of whatever LDN the public had for unstoppable transaction needs.
- While between Oct 28 and Dec 9, C declined by INR 9.2 trillion or 54%, between Dec 9 and Jul 21, it recouped by nearly INR 7 trillion or 88%. MoM variations in the positive quadrant peaked as on Feb 3 at nearly 21% and thereafter gradually flattened out reaching 1.4% as on Aug 18.
- Over the entire period, C suffered a decline of INR 2.1 trillion, a part of which could be attributed to switchover to non-cash modes. As on Aug 18, C was 89% of that a year ago.
- Post-demonetization, monthly levels of C remained below the same in the previous year (except as on Nov 11), but the gap between the two gradually bridged.
- Convergence of MoM variations in the post-demonetization period and corresponding period previous year began as on Apr 28 denoting beginning of the normalization which thenceforth progressed steadily.

Section 3: Impact on Financial Intermediation by Banks

Liabilities Side

In “special” businesses like banking, retail deposits constitute a lion’s share of the liabilities. On Oct 28, 2016, customers’ deposits constituted 97.9% of the total liabilities of the Scheduled Commercial Banks (SCBs). Table 3 and Chart 4 present the impact analysis.

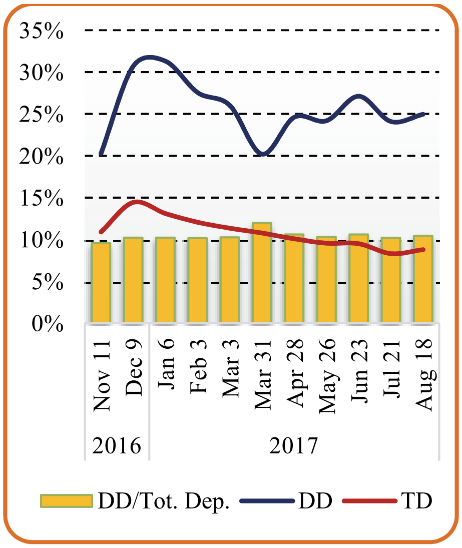
Observations

- In the post-demonetization period, quite naturally, accruals of DD were higher compared to the similar period in the previous year. The variations in the accruals in the former were much below those in the latter indicating the public demand to keep liquid cash. In fact, the outstanding DD remained near-static at around INR 11 trillion.

Table 3: Impact on Customers' Deposits (INR trillion)

Pre-demonetization			Post-demonetization		
Accrual since Oct 30, 15 as on	DD	TD	*Accrual since Oct 28, 16 as on*	DD	TD
Nov 13, 15	-0.41	0.03	Nov 11, 16	0.24	1.07
Dec 11, 15	-0.17	0.64	Dec 9, 16	1.39	4.68
Jan 8, 16	-0.23	1.57	Jan 6, 17	1.37	4.63
Feb 5, 16	-0.05	2.23	Feb 3, 17	1.29	4.50
Mar 4, 16	0.13	2.51	Mar 3, 17	1.38	4.21
Apr 1, 16	2.32	3.45	Mar 31, 17	3.52	4.75
Apr 29, 16	0.58	3.76	Apr 28, 17	1.82	4.50
May 27, 16	0.30	3.93	May 26, 17	1.44	4.24
Jun 24, 16	0.39	4.13	Jun 23, 17	1.81	4.41
Jul 22, 16	0.22	5.09	Jul 21, 17	1.52	4.42
Aug 19, 16	0.45	5.42	Aug 18, 17	1.69	5.20
CV	227.9%	58.6%	CV	48.4%	25.6%

Chart 4: Deposits - YOY Growth and Share



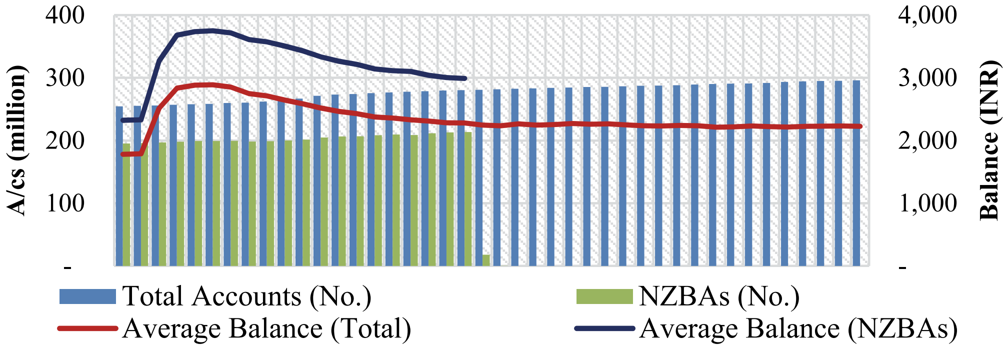
Mar 31 figures were 'outliers' due to the usual year-end window-dressing. CV – Coefficient of Variation.

- The share of DD gradually increased from below 10% as on Nov 11 to 12% as on Mar 31 and thereafter tapered off to 10.2% as on Jul 21 and 10.4% as on Aug 18.
- In the post-demonetization period, accruals of TD were also higher than those in the corresponding period previous year till Jun 24. The TD accruals even exceeded the DD accruals. It is conjectured that most of the TD would have occurred at the shorter-end of maturities. While this aspect requires deeper investigation, limited evidence from the maturity pattern of deposits at Mar-end 2017 in respect State Bank of India (SBI), a Public Sector Bank (PSB), and three Private Sector Banks (PVTBs), namely, Axis Bank, ICICI Bank and HDFC Bank revealed that deposits with maturity 'up to 6 months' stood respectively at 30.5% (26.1%), 21.1% (19.8%), 26.5% (20.5%) and 24.9% (24.8%) [Brackets denote the previous year's position].
- Apart from demonetization, one-off factors such as the redemption of Foreign Currency Non-Resident (Bank) deposits mobilized under the RBI swap scheme which coincided with demonetization, collections under the Pradhan Mantri Garib Kalyan Deposit Scheme and payment of Seventh Central Pay Commission awards influenced deposit accretion.
- In the post-demonetization period, the variations in accruals were below those in the similar period previous year. This implies not much activities in the TD portfolio of banks which could be attributed to uncertainty among people about their cash holdings. The outstanding TD hovered around INR 95 trillion.

PMJDY Deposits

Controversy surrounded the Pradhan Mantri Jan-Dhan Yojana Accounts (PMJDYAs), as these evolved as conduits for depositing the illegalized notes. Chart 5 examines this aspect.

Chart 5: Impact on PMJDYAs (Nov 2 - Aug 23)



Observations

- In the post-demonetization period, data on Zero Balance Accounts were available up to Mar 15. During Nov 9 to Mar 15, the number of Non-Zero Balance Accounts (NZBAs) increased by 17.7 million or 9.1%, and its share in the total number of accounts increased from 76.7% to 77.2% as on Nov 30, i.e., by 50 bps, which thereafter fell precipitously before rising again to 76.2% as on Mar 15.
- As on Dec 7, the Average Balance per Non-Zero Balance Account (ABPNZBA) was over INR 3,750 but fell almost continuously to reach below INR 3,000 as on Mar 15. During Nov 9 to Mar 15, ABPNZBA ruled above the Average Balance per Total Account (ABPTA) in the ranged of 30-33%.
- Similarly, compared to Nov 9, ABPNZBA was 60.9% higher as on Dec 7 but thereafter fell sharply to 28.3% as on Mar 15.
- The ratio of total balance outstanding in PMJDYAs to aggregate deposits of SCBs which was 0.45% in the beginning of demonetization surged to 0.70% in Dec first week but gradually diminished and floated around 0.60% thereafter.
- The above analysis indicates that PMJDYAs did see unusual inflows, which, however, reduced after checks were put.

Assets Side

The second leg in the financial intermediation process is usage of deposits for lending purposes. Besides, banks also invest in securities of the government (predominantly) and the private sector. On Oct 28, 2016, credit, and investments in government and approved securities constituted 93.1% of the SCBs' assets. Table 4 and Chart 6 present the impact analysis on the two items.

Observations

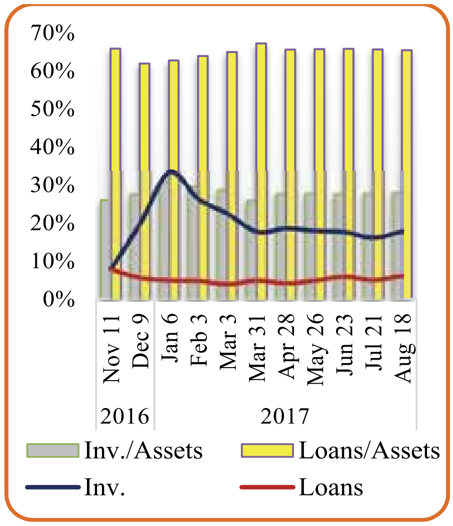
- In the post-demonetization period, investments accruals far exceeded those in the similar period in the previous year. During Nov 11 to Jul 21, there was a net addition of INR 4.15 trillion. The share of investments in total assets increased from 25.9% as on Nov 11 to a high of 30.7% as on Jan 6 and decelerated thereafter to settle at around 28% May 26 onwards till Aug 18.
- Credit deployment suffered as evidenced by the negative accruals in the initial period as well as lower figures afterwards, compared to those in the similar period previous year. It is noteworthy that credit dispensation has been highly sluggish for quite some time now due to several reasons other than demonetization. The outstanding loans were grooved in INR 76 trillion. Between Nov 11 and Aug 18, credit deployment was just

Table 4: Impact on Investments and Loans (INR trillion)

Pre-demonetization			Post-demonetization		
Accrual since Oct 30, 15 as on	Inv.*	Loans	*Accrual since Oct 28, 16 as on*	Inv.*	Loans
Nov 13, 15	0.12	0.19	Nov 11, 16	0.03	-0.59
Dec 11, 15	0.64	1.45	Dec 9, 16	3.85	-0.73
Jan 8, 16	0.57	2.56	Jan 6, 17	7.40	0.01
Feb 5, 16	0.80	3.31	Feb 3, 17	5.80	0.67
Mar 4, 16	0.49	4.26	Mar 3, 17	4.35	1.04
Apr 1, 16	-0.87	7.06	Mar 31, 17	1.48	4.70
Apr 29, 16	0.23	4.38	Apr 28, 17	3.00	1.33
May 27, 16	0.63	4.32	May 26, 17	3.30	1.81
Jun 24, 16	0.77	4.33	Jun 23, 17	3.38	2.52
Jul 22, 16	1.23	4.46	Jul 21, 17	3.79	2.76
Aug 19, 16	1.40	4.53	Aug 18, 17	4.17	2.92
CV	110.1%	48.9%	CV	52.8%	110.9%

* *Investment in government and approved securities.*

Chart 6: Investments and Loans – Growth and Share



INR 3.51 trillion. This was also responsible for high investments in government and approved securities.

- The share of loans in total assets increased from 61.8% as on Dec 9 to a high of 67.1% as on Mar 31 and decelerated thereafter to settle at below 66% Apr 28 onwards till Aug 18.
- Retail loans contributed a lot to growth in non-food loans. Between Nov 25, 2016 and Jul 21, 2017, incremental retail loans constituted nearly 45% of incremental non-food loans.
- During Nov 11 to Aug 18, average fortnightly balances outstanding with RBI increased by 15.2% to INR 4.5 trillion over the corresponding period previous year (high: INR 7.8 trillion as on Dec 11 when it more than doubled and low: INR 4.1 trillion as on Nov 13). It is noteworthy here that RBI had imposed an incremental Cash Reserve Ratio (CRR) of 100% of the increase in net demand and time liabilities (between Sep 16, 2016 and Nov 11, 2016) on Nov 26, 2016.
- Similarly, average fortnightly inter-bank balances outstanding increased by 17.1% to INR 1.9 trillion over the corresponding period of the previous year (high: INR 2.0 trillion as on May 13 and low: INR 1.8 trillion as on Mar 4).

Business Ratios

The consequential impact was visible on the Credit-Deposit (C-D) and Investment-Deposit (I-D) ratios. While the former remained near-stationary, hovering around 72%, the latter, though increased initially and later tapered, stayed at around 31%. Compared to a year ago, as on Aug 18, 2017, the incremental C-D ratio dropped to 45.9% from 79% and the incremental I-D ratio shot up to 50.6% from 18.1%.

Earnings and Expenses

The analysis covers a sample of three major PSBs (SBI, Bank of Baroda and Punjab National Bank) and the three PVTBs, as mentioned earlier, and pertains to five possible items on earnings and expenses sides to have been impacted by demonetization. Table 5 presents the results.

Table 5: Impact on Earnings and Expenditure (YOY Growth)

Bank Group	Interest/Discount Earned on				Net Profit from		Expenses			
	Advances/bills		RBI and other inter-bank fund balances		Investments sale		Interest paid on deposits		Operating expenses	
	16/15	17/16	16/15	17/16	16/15	17/16	16/15	17/16	16/15	17/16
Public	1.1%	0.05%	-1.1%	91.9%	30.1%	118.1%	8.5%	2.6%	6.7%	7.4%
Private	15.3%	9.6%	-13.6%	87.9%	96.2%	117.7%	14.1%	7.6%	14.6%	17.3%

Source: Based on respective balance sheets.

Observations

- That lending activities were numb, despite repeated rate cuts, was reflected in substantial fall in YOY growth in interest/discount earned on advances/bills in respect of both the bank categories – woefully so in respect of PSBs.
- In the absence of lending, banks parked funds with RBI and other banks – predominantly with the former - and therefore interest income from it rose. This was despite the central bank not paying interest even on the incremental CRR impounded to manage the demonetization-induced extraordinary liquidity conditions.
- Lower interest income from loans on one hand and generally soft money market rates on the other led banks to book profits in the fixed income securities, i.e., mostly government and approved securities and therefore profits from this account jumped.
- Despite massive deposits accretions, depressed interest rates thereon resulted in lower interest outgo.
- A part of the increase in operating expenses could be attributed to various extraordinary operations that demonetization entailed for banks to undertake as well as increased insurance cost including deposit insurance premium.

Thus, it is concluded that demonetization did not alleviate the ongoing sluggishness in the financial intermediation function by banks. Moreover, a tilt towards 'narrow banking' was noticed. However, it is noteworthy that SCBs' support to the corporates by way of investment in commercial papers, and shares and bonds/debentures issued by the public/ private sector and other entities increased in the post-demonetization period. During Nov 2016 to Jun 2017, the YOY variations on these counts ranged between 15.1% and 37.9% with the median at 27.9%.

Post-demonetization, financial disintermediation set in as reflected in, inter alia, increased purchases of Mutual Fund (MF) units – both at individual and bank levels. Based on data sourced from Association of Mutual Funds in India, during Nov 2016 to Aug 2017, mutual funds sales and redemptions went up by 24.5% and 23.6% respectively, and consequently, net inflows leapt 114.8% over the corresponding period previous year to INR 2.95 trillion. SCBs' investments in MFs as on Jun 23, 2017 was 22.1% above that a year ago. However, it may not be correct to attribute the entire increase in MFs' inflows to demonetization, since a large number of rather financially 'sophisticated' people have been moving to MFs, even before Nov 8, due to low rates on bank deposits coupled with buoyancy in the stock markets and aided by MFs' marketing efforts.

Unusual upsurge marked life insurance premium collections, especially in Nov 2016 when these grew by 112.6% despite the number of policies falling by 15.3% (YOY) combined. This implied that high-value policies were taken by relatively less number of people. YOY, the average premium per policy in Nov 2016 escalated by 151% to INR 1,02,386, and this was majorly owing to single premium policies - both individual and group (Based on Life Insurance Council data).

Section 4: Impact on Payment Systems

As mentioned earlier, a parallel objective of demonetization was to move towards a 'less-cash' economy. Table 6 (A to C) presents data pertaining to the transformation the Payment Systems underwent, post-demonetization.

Table 6A: Impact on Payment Systems

(Volume in million, Value in INR billion and AVPT in INR thousand)

Category	Mode	Attribute	Total		YOY variation	CV
			15-16 (Nov–Jul)	16-17 (Nov–Jul)		16-17 (Nov–Jul)
SIFMI#	Real Time Gross Settlement (RTGS)*	Volume	72.8	83.9	15.1%	
		Value	560,657.1	701,980.8	25.2%	
		AVPT	7,698.2	8,371.9	8.8%	6.9%
Paper Clearing	Cheque Truncation System (CTS)	Volume	716.3	931.6	30.1%	
		Value	52,929.5	59,395.3	12.2%	
		AVPT	73.9	63.8	-13.7%	11.1%
	Non-MICR Clearing	Volume	82.4	60.2	-26.9%	
		Value	7,182.9	3,775.6	-47.4%	
		AVPT	87.2	62.7	-28.1%	15.0%
Retail Electronic Clearing	National Electronic Funds Transfer (NEFT)	Volume	8,145.4	1,387.9	-83.0%	
		Value	8,145.4	108,145.8	1227.7%	
		AVPT	1.0	77.9	7691.9%	9.0%
	Electronic Clearing Service (ECS)	Volume	105.9	8.0	-92.5%	
		Value	1,022.6	101.7	-90.1%	
		AVPT	9.7	12.7	31.8%	27.3%
	Immediate Payment Service (IMPS)	Volume	228.2	545.2	138.9%	
		Value	1,691.4	4,643.8	174.6%	
		AVPT	7.4	8.5	14.9%	4.9%
	National Automated Clearing House (NACH)	Volume	1,429.2	1,708.1	19.5%	
		Value	4,359.8	6,714.4	54.0%	
		AVPT	3.1	3.9	28.9%	11.9%

Category	Mode	Attribute	Total		YOY variation	CV
			15-16 (Nov–Jul)	16-17 (Nov–Jul)		16-17 (Nov–Jul)
Card Payments	Credit Card at ATM	Volume	5.1	4.3	-15.3%	
		Value	25.0	18.5	-26.0%	
		AVPT	4.9	4.3	-12.6%	21.2%
	Credit Card at POS	Volume	651.0	971.5	49.2%	
		Value	1,998.1	2,912.1	45.7%	
		AVPT	3.1	3.0	-2.3%	6.4%
	Debit Card at ATM	Volume	6,452.5	5,993.7	-7.1%	
		Value	19,868.1	16,646.0	-16.2%	
		AVPT	3.1	2.8	-9.8%	25.8%
	Debit Card at POS	Volume	1,034.1	2,545.3	146.1%	
		Value	1,332.0	3,574.9	168.4%	
		AVPT	1.3	1.4	9.0%	3.9%
	Prepaid Instruments (PPIs)	Volume	629.1	2,504.5	298.1%	
		Value	441.5	855.5	93.8%	
		AVPT	0.7	0.3	-51.3%	9.9%
Mobile Payments		Volume	457.1	920.0	101.3%	
		Value	4,786.1	14,031.6	193.2%	
		AVPT	10.5	15.3	45.7%	14.0%

*# Systemically Important Financial Market Infrastructure. * Relates to customer transactions only. POS – Point of Sale. AVPT – Average Value Per Transaction.*

Table 6B: Impact on the (*de novo*) Modes

Mode	Attribute	Dec-16	Jun-17	Variation
Unified Payment Interface (UPI)*	Volume	1.92	6.01	212.6%
	Value	6.98	17.81	155.0%
	AVPT	3.6	3.0	-18.4%
BHIM	Volume	0.04	5.43	13378.6%
	Value	0.02	16.00	93320.4%
	AVPT	0.4	2.9	593.1%
Unstructured Supplementary Service Data (USSD) 2.0	Volume	0.03	0.19	655.3%
	Value	0.02	0.30	1611.2%
	AVPT	0.7	1.6	126.6%
USSD 1.0&	Volume	5.92	1.55	-73.9%
	Value	0.01	0.0002	-97.2%
	AVPT	0.0	0.0	-89.3%

BHIM - Bharat Interface for Money. * Ex BHIM and USSD. & from Nov-16. Data sourced from the National Payment Corporation of India Web Site.

Table 6C: Card Infrastructure

Items	Additional (Nov - Jul)		% variation
	15-16	16-17	
Total Cards (million)	66.63	63.75	-20.4%
(a) Credit Cards (million)	3.06	4.28	20.9%
(b) Debit Cards (million)	63.57	59.47	-22.4%
No. of ATMs	23,552	2,680	-87.2%
No. of POS	172,445	1,249,399	629.9%

Observations

- Going by volume and value, four modes, namely, non-MICR cheque clearing, ECS, and credit and debit card usage at ATMs registered declines. The decline in card usage at ATMs could be attributed to interplay of several factors like less availability of cash, restrictions imposed by banks on cash withdrawal and marginal changes in spending habits. Reduction in non-MICR cheque clearing is a favourable sign.

- The remaining nine modes recorded upward movements varying in the range of 15.1% to 298.1% (volume) and 12.4% to 1227.7% (value).
- AVPT denotes confidence and spread of the users. AVPT fell in respect of paper clearing (both modes), credit card usage at ATM and POS, debit card usage at ATM and PPI. In the remaining seven modes, the variations were positive in the range of 8.8% to 7691.9%. Nevertheless, the AVPT values remained low which coupled with low coefficients of variation indicated no large shifts in the usage of the modes. However, on the positive side, it indicated that small spenders were adopting these channels.
- The relatively *de novo* channels such as BHIM and USSD 2.0 reflected tremendous performance in respect of the three attributes, albeit on low bases.
- During Nov 2016 to Jun 2017, the number of additional cards declined by over 20% on account of debit cards. The number of new ATMs added during the period was one-ninth of that a year ago. Contrastingly, the number of POS showed runaway growth which augurs well for the future of non-cash modes.
- RuPay cards registered promising growth in respect of both volume and value at 75.3% and 26.6% respectively during Nov 2016 to Jul 2017. AVPT at about INR 1,000 in Jul was 27.8% below that in Nov 2016, but reflected its wide acceptability among the small spenders.
- Finally, inter-month fluctuations in many modes implied that experimentation was on, and the trends were yet to crystallize.

Section 5: Policy Issues

Reviving Financial Intermediation

In order to rejuvenate the financial intermediation process, the second leg, i.e., lending needs to be kickstarted. That would necessitate energizing a constellation of forces, majorly by the government. The general perception that lower lending rates will do the trick may not be correct, especially when the private investment is not forthcoming to the extent desired; it can be stimulated if and only if the government spending, especially on projects with high multiplier potential is augmented in a planned way. Post-demonetization, the government is fiscally well-armed to undertake this.

Banks are loaded with stressed assets as well as in 'once-bitten-twice-shy' mood to step up lending; therefore, lower Policy Rates will hardly translate into commensurate lowering of lending rates. It may benefit borrowers, but not (retail) depositors. In essence, the malady of stressed assets is becoming contagious for the liabilities side, which, ultimately, may drive the financial intermediation by banks to moribund state. Moreover, very low rates generate financial stability issues.

Suggestions for retail depositors to migrate to more remunerative market-based financial products abound. All that is good for the financially 'sophisticated'. Moreover, portfolio hopping entails inescapable costs. As a significant chunk of the population is financially illiterate and lacks the minimum risk appetite, financially and emotionally, it will take a long time for them to be market-savvy.

Finally, durable and impactful solutions need to be found and acted upon, with alacrity, for restoring the health of the entire banking system, instead of individual banks.

Augmenting Digital Payment Systems (DPS)

A three-pronged strategy is suggested to embolden DPS. These are: (a) Push Strategy, (b) Pull Strategy and (c) Ground Preparation Strategy.

Push strategy aims at motivating people to minimize their cash-use to the extent possible and avail of the digital services provided by banks. In this direction:

- The first, but the most vital, step is to expand the outreach of the Financial Inclusion programme with utmost sincerity which must be backed by financial or digital literacy efforts.
- There must be disincentives for cash transactions beyond a stipulated limit to be determined realistically though, by factoring in, for example, inflation levels, seasonal cash demand and broad categories of products/services.
- Severe punishments – both fiscal and legal - have to be meted out to currency 'hoarders' instead of coaxing and cajoling them through various kinds of amnesty and similar schemes.
- While the Goods and Services Tax is a step in right direction, similar changes are needed in the direct tax system in sync with the changing environment and technological advancement so that people's propensity to 'hoard' cash diminishes.
- Electoral reforms are essential to curb excessive cash-use. Government expenditure on holding elections *per se* which has zoomed over time[22] may have to be reduced, and wherever feasible, carried out through banking or digital channels.
- Finally, a safe and sound banking system instils trust and confidence in people to transact through banks.

Pull strategy aims at incentivizing people to make increasing use of DPS. In this direction:

- It is imperative for the banking system to institute payment mechanisms which can meet the users' expectations in terms of speed, accuracy, cost-effectiveness, simplicity and integrity of transactions. The major considerations for banks include: cost of acquisition and maintenance of the systems, their scalability, interoperability and adaptability, and cost of or resilience against technological obsolescence, which assumes significance against rapidly mutating technology. All these necessitate massive capital investments on regular basis. Against the current state of financial conditions of banks, especially PSBs, combined with the recapitalization money targeted at 'repairing' the balance sheets, banks will have to explore (a) mutual sharing of payment systems, (b) collaboration with financially sound and technologically resilient FinTech companies and (c) hiving off the payment systems to separate subsidiaries and subsequently, corporatizing these suitably. Privatization of critical verticals of DPS is prima facie ruled out due to inherent risks.
- DPS necessitates specialized skills. Along with high calibre IT professionals, banks would require costing professionals, data scientists, analytics professionals, behavioural economists, technology risk managers and cyber law experts. Therefore, banks have to tilt their HR policies in favour of 'recruiting and retaining' such specialized staff.
- Customers' data are the 'crown jewels' and hence, ensuring their security is vital. Instituting tight policies and laws against data security breaches and enforcing those strictly, timely and transparently is essential.
- DPS is fraught with several technological risks which are exacerbated by "hacktivism". An Indian Institute of Technology (Kanpur) study reveals that 72% of cybercrimes starts with the financial sector. Further, as per Indian Computer Emergency Response Team (CERT-In), 50 incidents affecting

[22]In the 2014 General Elections, it stood at about INR 39 billion which was 3.5 times that in the previous one.

19 financial organizations were reported in the post-demonetization period up to Jun 2017 and it issued 21 advisories covering various digital payment modes. Therefore, banks have to be extra prudent while providing for technology risks and dealing with cyber frauds.

➢ Regulation of DPS has emerged as a complex issue worldwide, which requires not only cooperation between the regulator and banks within the country but also harmonization of cross-border laws and practices through global cooperation. Regulations have to be dynamic and focused on larger issues rather than becoming microscopic, e.g., regulating pricing of digital services which should be left to banks.

Ground Preparation strategy envisages bigger role for the government in allocating natural resources to the service providers such as spectrum, land and electricity in time and competitively. Similarly, the regulator needs to allot licences to the intending players fast without compromising on viability and soundness issues. As in the past, RBI has been taking several proactive measures with a view to fostering orderly development of DPS.

Section 6: Concluding Remarks

In nutshell, financial intermediation is still eclipsed, but a new dawn has surfaced for DPS. Banks are still adjusting to the transition, contrary to many who endeavor to draw hasty inferences based on just ten-month experience of such a gargantuan policy intervention. While revival of loans to the productive sectors is of prime importance from long-term growth prospects, advancing DPS is crucial for conserving the fruits of growth.

Cash will remain the king for quite some time, as consumers' emotions, attitudes, habits and behaviors die hard.

विमुद्रीकरण : भारतीय अर्थव्यवस्था एवं बैंकों पर इसका प्रभाव

विजय प्रकाश श्रीवास्तव*

काले धन की समस्या ऊपर से जितनी दिखती है उससे कहीं ज्यादा गंभीर है। एक तरफ़ ऐसे लोगों का वर्ग है जो सीमित आय होते हुए भी कर ईमानदारी से चुकाता है एवं समस्त लेन-देन पारदर्शी ढंग से करता है। ऐसा व्यवहार अर्थव्यवस्था को स्वस्थ रखने में सहायक है। इसके विपरीत एक दूसरा वर्ग उन लोगों का है जिनकी आमदनी अच्छी ख़ासी है पर वे आय को छुपाते हुए कर की चोरी करते हैं तथा राजस्व को नुकसान पहुंचाते हैं। इस वर्ग का बरताव ईमानदार नागरिकों एवं करदाताओं को हतोत्साहित करने के साथ-साथ समानान्तर अर्थव्यवस्था को मज़बूत करता है। इसे रोकना हमारी सरकार के समक्ष एक बड़ी चुनौती रही है।

बैंकिंग एवं मुद्रा आपस में जुड़े हुए हैं। एक रुपए के नोटों एवं सिक्कों को वित्त मंत्रालय द्वारा जारी किया जाता है। इसे छोड़कर हमारे देश में सारे करेंसी नोट भारतीय रिज़र्व बैंक द्वारा जारी किए जाते हैं। रिज़र्व बैंक को हमारे देश के केंद्रीय बैंक का दर्जा प्राप्त है। मुद्रा के वितरण का कार्य बैंकों के ज़रिए होता है। देश में विभिन्न श्रेणियों के बैंक हैं जैसे सरकारी क्षेत्र के बैंक, निजी बैंक, सहकारी बैंक, क्षेत्रीय ग्रामीण बैंक आदि। लोग अपनी मुद्रा जमा कराने, निकालने के लिए इन बैंकों के पास आया करते हैं।

विमुद्रीकरण की घोषणा

हमारे देश की मुद्रा प्रणाली को लागू करने में बैंकों की भूमिका कितनी महत्वपूर्ण है, यह समझने के लिए बस हमें करीब साल भर पीछे जाना होगा। 8 नवंबर, 2016 की रात अचानक सरकार द्वारा की गई एक घोषणा के अनुसार 1000 और 500 रुपए के पुराने नोटों को प्रतिबंधित कर इन्हें चलन से बाहर कर दिया गया। इन बड़े नोटों को ही विमुद्रीकरण के लिए विशेष रूप से चुनने के पीछे स्पष्ट कारण थे। आंकड़ों के अनुसार देश की कुल नकदी में इन नोटों का मूल्य 85 प्रतिशत के करीब था। यह आंकड़ा आश्चर्य का विषय नहीं होना चाहिए क्योंकि दुनिया के और देशों में भी केंद्रीय बैंक (हमारे देश के मामले में भारतीय रिज़र्व बैंक) अर्थव्यवस्था को ज़्यादातर बड़े मूल्य के नोटों की ही आपूर्ति करता है। उदाहरण के लिए अमेरीका में 80 प्रतिशत मुद्रा 100 डॉलर के नोटों की है। जापान में 90% नकदी 10000 येन के नोटों की है। इस 10000 येन के एक नोट का मूल्य भी करीब 100 डॉलर के बराबर होता है।

2016 में किया गया विमुद्रीकरण हमारे देश में इस तरह की तीसरी घटना है। पहला विमुद्रीकरण वर्ष 1946 में और दूसरा वर्ष 1978 में किया गया था। पिछले अर्थात 1978 के और इस बार के विमुद्रीकरण के बीच 38 वर्षों का लंबा समय बीत चुका है। इस बार के कदम की तुलना पिछली बार से नहीं की जा सकती। 1978 में 10,000; 5,000 एवं 1,000 रुपए वाले नोट चलन से बाहर कर दिए गए थे और इस विमुद्रीकृत मुद्रा का मूल्य उपलब्ध मुद्रा के कुल मूल्य के एक प्रतिशत से भी कम था। पिछले विमुद्रीकरण के समय बहुत कम लोग इससे प्रभावित हुए थे। क्योंकि इतने बड़े मूल्य के नोट कम ही लोगों के पास हुआ करते थे। इस बार विमुद्रीकृत मुद्रा का मूल्य कुल मूल्य का लगभग 85 प्रतिशत था।

1978 में किए गए विमुद्रीकरण की एक और खास बात थी। उस बार कुल बड़े नोटों का 45 प्रतिशत बैंकों व सरकारी ख़जानों के स्वामित्व में था। इस बार के विमुद्रीकरण में केवल 5 प्रतिशत नोट देश के बैंकों व सरकारी ख़जानों में थे। चार दशक पहले भारतीय अर्थव्यवस्था का आकार अपेक्षाकृत छोटा था एवं वैश्विक

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अर्थव्यवस्था से इसका जुड़ाव भी आज जितना नहीं था। वर्तमान स्थिति भिन्न है। 6 प्रतिशत से अधिक की विकास दर के साथ आज हम विश्व की उभरती अर्थव्यवस्थाओं में शीर्ष पर हैं। वर्ल्ड इकोनोमिक फोरम के अनुसार वर्ष 2017 में आकार के हिसाब से भारतीय अर्थव्यवस्था विश्व में सातवें स्थान पर है। विमुद्रीकरण के नए कदम एवं इसके प्रभावों का आकलन करते समय इन तथ्यों को ध्यान में रखा जाना चाहिए।

दुनिया के कई अन्य देशों में भी विमुद्रीकरण के उदाहरण देखने को मिलते हैं। ज़्यादातर मामलों में इस तरह का कदम उच्च मुद्रास्फीति का सामना करने के लिए उठाया जाता रहा है। तत्कालीन रूस ने 1991 में, ब्राज़ील ने 1994 में एवं म्यांमार में 1964 तथा 1985 में विमुद्रीकरण की घटनाएँ हुईं थीं।

विमुद्रीकरण के उद्देश्य

भारत में इस विमुद्रीकरण की घोषणा में कहा गया कि यह कदम काले धन के ख़ात्मे, आतंकी संगठनों की फ़ंडिंग को ठप्प करने तथा हमारी वास्तविक अर्थव्यवस्था में समानान्तर अर्थव्यवस्था के दखल को रोकने के लिए उठाया गया है। इसके पहले कई सरकारी घोषणाओं में कहा गया था कि देश में कम नकदी वाली अर्थव्यवस्था (लो कैश इकॉनमी) लाने की जरूरत है। विमुद्रीकरण को इस उद्देश्य के साथ भी जोड़कर देखा गया। किसी भी देश के लिए काले धन की पूरी जानकारी जुटा पाना मुश्किल होता है। भारत में भी काले धन की मौजूदगी का कोई निश्चित आंकड़ा उपलब्ध नहीं है। फिर भी नेशनल इंस्टीट्यूट ऑफ पब्लिक फायनेंस एंड पॉलिसी तथा अंतर्राष्ट्रीय मुद्रा कोष (आई एम एफ) के अनुमानों के अनुसार देश में काले धन का मूल्य हमारी अर्थव्यवस्था के करीब एक चौथाई के बराबर है। अगर यह धन देश की नियमित अर्थव्यवस्था में शामिल हो जाय तो इससे देश के विकास में काफ़ी मदद मिलेगी।

विमुद्रीकरण की घोषणा से पहले सरकार ने लोगों को अपनी छुपाई अथवा अघोषित संपत्ति को बाहर लाने का एक और अवसर दिया था। आय घोषणा योजना 2016 नाम से लागू इस योजना का उद्देश्य भी काले धन को बाहर लाना था। जो आंकड़े उपलब्ध हैं उनके अनुसार इस योजना के अंतर्गत कुल 65250 करोड़ रुपयों की अघोषित संपत्ति का खुलासा किया गया। इससे सरकार को अच्छा राजस्व भी प्राप्त हुआ। फिर भी उपलब्धि सरकार की आशा से कम रही।

विमुद्रीकरण की अचानक घोषणा चौंकाने वाली थी। लेकिन इस अचानकता का अपना औचित्य था। सरकार का विचार था कि यदि यह घोषणा अचानक नहीं की गई होती तो घोषणा का उद्देश्य ही विफल हो जाता।

अर्थव्यवस्था में नकदी का प्रयोग

हमारे देश में सकल घरेलू उत्पाद (जीडीपी) से नकदी का अनुपात 12% है। अमेरिका में यह प्रतिशत 7.4, तुर्की में 5.7, कनाडा में 3.7 एवं नॉर्वे में 1.4 है। हमारे देश में नकद राशि में कारोबार की जो स्थिति रही है वह क्रमशः बड़े मूल्य के नोटों पर ज़्यादा निर्भर होती चली गई है। वर्ष 2000-2001 में बड़े मूल्य (रु 500 एवं 1000) के नोटों का मूल्यानुसार प्रतिशत 26 था जो मार्च 2016 तक बढ़ कर 85.2 हो गया था। अर्थात देश में अधिकतर कारोबार नकद राशि ले-देकर ही किया जाता है। ऐसा माना जाता है कि विकसित देशों की तुलना में विकासशील एवं अल्पविकसित देशों में वित्तीय संव्यवहारों में नकदी पर निर्भरता ज्यादा होती है। इसका आशय यह है कि नकदी को प्रतिस्थापित कर अन्य आधुनिक तरीकों से भुगतान की बहुलता विकास की एक पहचान बन सकती है। बड़े नोटों में नकद लेन-देन करवंचन को आसान बनाता है एवं कानूनी एजेन्सियों द्वारा कर चोरी को पकड़ना मुश्किल कर देता है। इस तरह का लेन-देन आर्थिक कार्यकलापों को बढ़ावा देने में भले अधिक मदद न करता हो लेकिन बिना हिसाब-किताब वाली मुद्रा के संचयन में मदद जरूर करता है जो राष्ट्र हित में नहीं है।

विमुद्रीकरण की मुश्किलें

उच्च मूल्य वर्ग के नोटों को चलन से बाहर करने के साथ कतिपय दिक्कतें जुड़ी रही हैं। सारा काला धन जरूरी नहीं कि नकद राशि के रूप में हो, न ही यह कहा जा सकता है कि समस्त नकद राशि काला धन है। काले और सफ़ेद धन को एक बार में अलग कर डालना निहायत मुश्किल है। सफ़ेद धन से कोई वस्तु खरीदी जाती है और विक्रेता इस पर देय निर्धारित कर नहीं

चुकाता तो यह काला धन बन जाता है। अत: विमुद्रीकरण पूरी तरह से काले धन का सफ़ाया कर देगा, यह मान लेना ठीक नहीं है। पर काले धन की समस्या से निपटने में इससे कुछ मदद जरूर मिली है।

विमुद्रीकरण की घोषणा के दो दिनों बाद 500 एवं 2000 रुपए के नए नोट चलन में आ गए। नवीन शृंखला के ये बैंक नोट पुराने नोटों से रंग, आकार एवं डिज़ाइन में काफ़ी भिन्न हैं।

वास्तविक एवं समानान्तर अर्थव्यवस्था

एक चुस्त अर्थव्यवस्था उसे कहा जायेगा जिसमें वैध वित्तीय संव्यवहारों पर कोई पाबंदी न हो, संव्यवहारों पर लागत न्यूनतम हो तथा ग़लत संव्यवहारों को पहचानना एवं पकड़ना आसान हो। अगर हम वर्तमान विमुद्रीकरण से पहले की भारतीय अर्थव्यवस्था की स्थिति का विश्लेषण करें तो यह बाद के दो मानकों पर पूरी तरह खरी नहीं उतरती थी। नकद लेन-देन की बहुलता के कारण संव्यवहारों की लागत ज्यादा तो हुआ ही करती थी, इन पर निगरानी रखना भी मुश्किल होता था। देश में समानान्तर अर्थव्यवस्था अपने पाँव पसारती जा रही थी। समानान्तर अर्थव्यवस्था के कई नुकसान हैं। अर्थशास्त्र का सिद्धान्त है कि ख़राब मुद्रा अच्छी मुद्रा को चलन से बाहर कर देती है। इसी प्रकार जब समानान्तर अर्थव्यवस्था का विस्तार होता है तो स्वस्थ अर्थव्यवस्था सिमटती जाती है। नियमों का पालन करने वालों, सही तरीके से कर चुकाने वालों का मनोबल गिरता है। सरकार को राजस्व की हानि तो होती ही है। अंतर्राष्ट्रीय जगत में ऐसे देश की साख भी गिरी होती है। कुछ गिने-चुने लोगों को समानान्तर अर्थव्यवस्था का लाभ भले ही मिलता हो, लेकिन समग्र रूप से देश कमजोर होता जाता है। देश विरोधी ताकतों को बढ़ावा मिलता है, अनैतिक गतिविधियां बढ़ती जाती हैं। विमुद्रीकरण से समानान्तर अर्थव्यवस्था को बड़ा झटका लगा है।

तैयारियां

विमुद्रीकरण की राह सरल नहीं रही। इसको अंजाम देने के लिए बड़ी तैयारी करनी पड़ी थी और जो मुश्किलें आईं उन पर पार भी पाना पड़ा। एक दिन के लिए बैंक बंद रखे गए ताकि आगामी दिन और दिनों की तैयारी की जा सके। चलन से बाहर किए गए नोटों को निर्धारित समय-सीमा के भीतर खाते में जमा कराने या बदलने के लिए विशेष काउंटर खोले गए। भीड़ को देखते हुए बैंक अतिरिक्त समय के लिए तथा छुट्टियों के दिन भी खुले रखे गए। विभिन्न बैंकों के करेंसी चेस्ट के जरिए बैंक शाखाओं को बड़ी मात्रा में नोटों की आपूर्ति की गई। ए टी एम मशीनों को नवीन नोटों के वितरण हेतु तैयार किया गया। नोट छापने वाले प्रेस अनवरत नोट छापते रहे तब जाकर मांग का काफी हद तक सामना किया जा सका।

विमुद्रीकरण के तुरंत बाद के दिनों में बैंक शाखाओं ने जिस तरीके से लोगों को सेवा दी और कार्मिकों ने जिस कर्मठता का परिचय दिया उससे लोगों में बैंकों के प्रति विश्वास और बढ़ा है। तमाम लोग जिन्होंने अपनी बचत घर में रख छोड़ी थी, अब बैंक में खाता खोलने के लिए आगे आए हैं। बैंक की उपयोगिता एवं महत्व पर उनका ध्यान पहले नहीं गया था पर अब वे इसे समझ गए हैं।

आम जनता ने विमुद्रीकरण के लिए नोटबंदी जैसे सरल शब्द का उपयोग किया। यही शब्द हिंदी अख़बारों द्वारा भी अपनाया गया। आम जनता को शुरू में नोटबंदी से मुश्किलें नहीं आईं, यह कहना सही नहीं होगा। लेकिन बहुसंख्यक जनता ने विमुद्रीकरण का स्वागत करते हुए कहा कि यह देश के लिए अच्छा कदम है और इससे भ्रष्टाचार को रोकने में मदद मिलेगी। ज़्यादातर अर्थशास्त्रियों ने भी अपने विवेचन में विमुद्रीकरण के इस साहसिक सरकारी कदम की प्रशंसा की और इसे अर्थव्यवस्था के शुद्धिकरण में सहायक बताया। छिटपुट घटनाओं को छोड़ दें तो लोगों ने बड़े धैर्य के साथ एवं अनुशासित ढंग से स्थिति का सामना किया एवं सहयोग की भावना के साथ पेश आए। नोट बदलने/जमा करने हेतु लोग घंटों अपनी बारी का इंतज़ार करते रहे। विमुद्रीकरण की आलोचना भी हुई पर यह इसकी स्वीकार्यता की अपेक्षा बहुत कम थी।

अल्पकालिक एवं दीर्घकालिक प्रभाव

विमुद्रीकरण की घोषणा के ठीक बाद के दो-तीन महीने थोड़े मुश्किल थे। खास कर छोटे उद्यमियों एवं व्यापारियों का कारोबार कुछ हद तक मंदा रहा। बीच में आए कई परिणामों एवं आंकड़ों

को विमुद्रीकरण से जोड़ कर देखा गया। बहुत सारे अनुमानों में बताने की कोशिश की गई कि विमुद्रीकरण उत्पादन, वाणिज्य एवं सकल घरेलू उत्पाद की वृद्धि दर को किस प्रकार प्रभावित करेगा। कुछ अनुमान एक हद तक सही साबित हुए तो बहुत-सी आशंकाएं निर्मूल भी सिद्ध हुईं। आज विमुद्रीकरण के लागू होने के करीब एक वर्ष बाद हमारी अर्थव्यवस्था मजबूत और पूरी तरह पटरी पर है। इस कदम की सफलता ने सरकार का आत्मविश्वास बढ़ाया है और वह नए आर्थिक सुधारों की दिशा में अपने कदम बढ़ा रही है। इसमें बैंकिंग क्षेत्र के सुधार भी सम्मिलित हैं। संबंधित क्षेत्र के विद्वानों एवं बुद्धिजीवियों के स्तर पर विमुद्रीकरण के हानि-लाभों की समीक्षा भले ही अभी भी हो रही हो पर आम जनता, व्यापारियों एवं उद्यमियों के लिए अब यह बीता अध्याय बन चुका है और वे अपने कार्यकलाप सामान्य ढंग से संचालित कर रहे हैं।

राष्ट्रीय स्तर पर विमुद्रीकरण के पश्चात जो बदलाव दिख रहे हैं उनमें शामिल हैं - करदाताओं की संख्या एवं करों से होने वाली सरकारी आय में वृद्धि, आतंकी संगठनों को धन की आपूर्ति में रुकावट जिसका उल्लेख वित्त मंत्री ने भी जुलाई, 2017 के आखिर में संसद में दिए अपने वक्तव्य में किया था, औपचारिक अर्थव्यवस्था का विस्तार, डिजिटल लेन-देन को बढ़ावा, आदि।

अगर सरकार की आय बढ़ी है तो इसका लाभ बुनियादी सुविधाओं के विकास के जरिए देश के सभी वर्गों को मिलेगा। इस प्रकार से बढ़ा निवेश अर्थव्यवस्था में ज्यादा गतिशीलता भी लाएगा। देश के अर्थतंत्र का 90 प्रतिशत से अधिक हिस्सा असंगठित/अनियोजित क्षेत्र का है जहां मजदूरों एवं कर्मचारियों को भुगतान अनियमित एवं नकद स्वरूप का रहा है। इसमें कई जगहों पर भुगतान कम किया जाता है और भुगतान की राशि ज्यादा दिखाई जाती है। सरकार राष्ट्रीय ग्रामीण रोजगार गारंटी कार्यक्रमों में दी जाने वाली मजदूरी की अदायगी एवं ऐसे तमाम और भुगतानों को बैंक खातों के माध्यम से करने लगी है। कोशिश यह है कि निजी क्षेत्र में भी ऐसे भुगतान खातों में ही रकम जमा कर दिए जाएं। इससे अल्प आय वर्ग को उसका वाजिब हक मिलेगा तथा भ्रष्टाचार को रोकने में भी मदद मिलेगी।

अर्थव्यवस्था के कतिपय क्षेत्रों पर असर

सर्राफा (बुलियन) बाज़ार में बड़ी राशि का लेन-देन होता है इसके बावजूद ज़्यादातर कारोबार नकद के ज़रिए ही किया जाता है। यह भी ध्यान देने की बात है कि हमारे देश में सोने की मांग ज़्यादा है जिसे पूरा करने के लिए आयात का सहारा लेना पड़ता है और भुगतान विदेशी मुद्रा भंडार से किया जाता है। स्वर्णाभूषणों से हमारे समाज का लगाव सभी को पता है पर एक वर्ग ऐसा है जो सोने-चाँदी, हीरे-जवाहरात की खरीद काले धन को छुपाने के लिए करता है। आंकड़े बताते हैं कि विमुद्रीकरण के पश्चात सोने की मांग में कमी आई है जिसका संकेत सोने की गिरी कीमत से चलता है। चूंकि आयात कम हो रहा है इसलिए विदेशी मुद्रा का भंडार भी बढ़ा है। डॉलर की मांग कम होने से इसके समक्ष रुपए की कीमत बढ़ी हुई है। इन पंक्तियों को लिखते समय रुपया दो वर्षों में अपने सर्वोच्च मूल्य पर था। स्टॉक मार्केट में काले धन का निवेश अपेक्षाकृत मुश्किल होता है। विमुद्रीकरण के 10 महीनों के भीतर भारतीय शेयर बाज़ार भी तब तक के अपने उच्चतम स्तर तक पहुँच चुका था। यह इस विश्वास को दर्शाता है कि भारत की अर्थव्यवस्था का भविष्य उज्ज्वल है। तभी तो लोग इसमें निवेश करने को उत्सुक हैं।

रियल एस्टेट में कारोबार भले ही करोड़ों में होता हो पर यहाँ भी अब तक नकदी का खूब बोल-बाला रहा है। काफी बिल्डर भवन के मूल्य की आधी या इससे अधिक रकम नकदी के रूप में चुकाने की मांग करते रहे हैं। इस कारण रियल एस्टेट के क्षेत्र में काले धन का प्रवाह ज़्यादा रहा है, कीमतें अस्वाभाविक रूप से ऊंची रही हैं जिसका नुकसान ईमानदार वेतनभोगियों व मध्यवर्ग के लोगों को उठाना पड़ता रहा है। विमुद्रीकरण से रियल एस्टेट की कीमत थोड़ी कम हुई है पर उतनी नहीं जितनी की उम्मीद की जाती थी। संबंधित लेन-देन में पारदर्शिता भी बढ़ी है। विमुद्रीकरण का असर मुद्रास्फीति पर भी हुआ है। आज मुद्रास्फीति यदि निचले स्तर पर है तो इसमें अर्थव्यवस्था में नकदी के उपयोग में आई कमी का भी योगदान है। ब्याज दरों में कमी आई है। ऋणों पर नीची ब्याज दरों से व्यावसायिक एवं औद्योगिक कार्यकलापों को बढ़ावा मिलता है। भारत जैसे विकासशील देश के लिए ऐसा अनुकूल वातावरण होना अत्यधिक महत्वपूर्ण है।

बैंकों के कासा में वृद्धि

कासा (चालू एवं बचत खातों में जमा राशि) में वृद्धि सभी बैंकों की कारोबारी रणनीति का हिस्सा रही है। विमुद्रीकरण से बैंकों को एक बहुत बड़ा लाभ कासा जमाराशियों में एक साथ थोक बढ़ोतरी के रूप में मिला है। जिस कासा बजट को पूरा करने के लिए बैंक साल भर तक परेशान रहते थे, वह महीने में पूरा हो गया क्योंकि लोगों द्वारा बाहर पड़ी काफ़ी रकम इन खातों में बैंकों में जमा की गई। कासा बढ़ने से आज बैंकों के पास ऋण देने हेतु ज्यादा निधियाँ है। इस जमाराशि के मिलने के पश्चात बैंकों की पूंजी आवश्यकता भी थोड़ी कम होगी। ज़रूरतमन्द बैंकों के पुन: पूंजीकरण का मसला सरकार के पास पहले से है। अब संभवत: सरकार को इस हेतु कम रकम आवटित करनी होगी। कासा निधियों के लाभपूर्ण विनियोजन हेतु बैंकों को विशेष प्रयास करने की आवश्यकता है।

वैकल्पिक वितरण चैनलों का उपयोग

विमुद्रीकरण का एक बड़ा असर यह हुआ है कि लोग अपनी बैंकिंग आवश्यकताओं के लिए वैकल्पिक वितरण (आल्टर्नेट डिलीवरी) चैनलों का ज्यादा उपयोग करने लगे हैं। इलेक्ट्रॉनिक धन अंतरण को बढ़ावा मिला है। यूनाइटेड पेमेंट इंटरफ़ेस, भीम, मोबाइल वालेट जैसे माध्यमों की उपलब्धता एवं इनके उपयोग की सहजता लोगों को डिजिटल बैंकिंग की ओर आकर्षित कर रही है। विगत छह महीनों के आंकड़ों को देखें तो पॉइंट ऑफ सेल मशीनों की संख्या बढ़ कर दुगुनी हो चुकी है तथा इसमें और भी वृद्धि संभावित है। विशेषकर ग्रामीण क्षेत्रों में नकद रहित संव्यवहारों को लोकप्रिय बनाने हेतु बायोमेट्रिक पॉइंट ऑफ सेल मशीनों का उपयोग किया जा रहा है। भारतीय राष्ट्रीय भुगतान निगम (एन पी सी आई) द्वारा जारी आंकड़ों के अनुसार इस समय देश में 30 लाख से अधिक ऐसी मशीनें प्रयोग में हैं। व्यापारियों को इन मशीनों की आपूर्ति बैंकों द्वारा की जाती है। एटीएम का उपयोग भी खूब बढ़ रहा है। लोग चेक के जरिए धन अंतरण की बजाय एनईएफटी पद्धति की ओर बढ़ रहे हैं जो त्वरित भी है और किफ़ायती भी। लोगों की बैंकिंग आवश्यकताएँ बैंक में आए बगैर पूरी हो रही हैं।

भारतीय राष्ट्रीय भुगतान निगम की भूमिका

विमुद्रीकरण से उपजी चुनौतियों का सामना करने में भारतीय राष्ट्रीय भुगतान निगम ने जो तत्परता दिखाई है, वह प्रशंसनीय है। थोड़े समय पहले तक डेबिट व क्रेडिट कार्ड के लिए हमें वीसा या मास्टर कार्ड के प्लेटफॉर्म पर निर्भर रहना पड़ता था। आज इस संगठन द्वारा रुपे कार्ड उपलब्ध कराया जा चुका है जिसके उपयोगकर्ताओं की संख्या निरंतर बढ़ रही है। संगठन देश में मौजूद भुगतान प्रणाली को वास्तव में सुदृढ़ बना कर देश को कम नकदी वाली अर्थव्यवस्था की तरफ ले जा रहा है।

उपसंहार

नकद रहित संव्यवहारों के संदर्भ में भारत की तुलना विकसित देशों से नहीं की जा सकती। हमारी काफ़ी आबादी अभी भी अशिक्षित या अल्पशिक्षित और कम आय वाली है। वित्तीय साक्षरता के प्रसार में भी हम पीछे हैं। नकदी के प्रयोग को न्यूनतम स्तर तक ले जाने और ई-बैंकिंग हेतु मौजूद संभावनाओं का पूरा उपयोग करने हेतु हमें थोड़ा समय देना पड़ेगा। पिछले विमुद्रीकरण से इन सबके लिए दिशा मिली है। यह सुनिश्चित करना है कि हम इस दिशा से भटकें नहीं।

विमुद्रीकरण से आगे डिजिटल बैंकिंग एवं वित्तीय साक्षरता

डॉ. साकेत सहाय*

प्रस्तावना :

डिजिटल बैंकिंग और नक़द-रहित लेन-देन समग्र राष्ट्रीय विकास में नये दौर की दस्तक है। भारतीय लोकतांत्रिक अर्थव्यवस्था और आर्थिक सुशासन के इतिहास में यह एक क्रांतिकारी पहल है। इससे देश की वित्त व्यवस्था में तो पारदर्शिता आएगी ही, साथ ही काले धन के तमाम दरवाज़े बंद होंगे और अर्थव्यवस्था मजबूत होगी। पर इसके प्रसार के लिए यह जरूरी है कि ई-बैंकिंग अनुप्रयोगों का इस्तेमाल स्वयं सीखने के साथ-साथ हम दूसरों को भी इसके अनुप्रयोगों हेतु प्रेरित करें पर साथ ही उन्हें इसके अनुप्रयोगों में अपनाई जाने वाली सहजता, सरलता के साथ ही इससे जुड़ी ख़तरों से बचाव हेतु उन्हें जागरूक एवं सावधान भी करें और इसके लिए ज़रूरी है हम सभी वित्तीय रूप से जागरूक, सतर्क एवं सावधान रहें।

विमुद्रीकरण के बाद डिजिटल भुगतान की बढ़ोतरी के रूप में एक बड़ा बदलाव देखने को मिला था। मोतीलाल ओसवाल सिक्योरिटीज (एमओएसएल) की रिपोर्ट के मुताबिक विमुद्रीकरण के बाद डिजिटल भुगतान के तरीकों का इस्तेमाल करने वाले लोगों की संख्या बढ़ी है। भारतीय रिज़र्व बैंक के आँकड़ों का प्रयोग करते हुए नीति आयोग ने भी अपने विश्लेषण में बताया कि जहाँ 2015-16 में समाप्त पाँच वर्षों की अवधि में डिजिटल भुगतान की मात्रा में 28% वार्षिक औसत वृद्धि हुई, वहीं वर्ष 2016-17 में इसमें 55% की वृद्धि हुई। मूल्य (वैल्यू) के आधार पर भी वर्ष 2016-17 में डिजिटल भुगतान में 24.2% की वृद्धि हुई। आँकड़ों के मुताबिक, बीते अप्रैल माह में ही डिजिटल लेन-देनों की कुल संख्या 1 लाख करोड़ को पार कर गई जो यह दिखाता है कि हमारा देश कम नकद वाले समाज की तरफ तेजी से अग्रेसर हो रहा है।

खुदरा लेन-देन के आँकड़ों से भी यह स्पष्ट है कि विमुद्रीकरण के बाद खुदरा डिजिटल लेन-देन में मूल्य और मात्रा दोनों के लिहाज़ से काफ़ी वृद्धि हुई है। पीओएस (क्रेडिट/डेबिट कार्ड), पीपीआई, आईएमपीएस और यूपीआई के चार डिजिटल खुदरा लेन-देन की कुल मासिक संख्या विमुद्रीकरण से पहले जहाँ साल 2016 के मध्य में लगभग 30 करोड़ ही थी, वह नवंबर, 2016 में बढ़कर करीब 50 करोड़ और दिसंबर, 2016 में करीब 85 करोड़ पर पहुँच गयी। इसमें यूपीआई के आँकड़े आंशिक है। इसके बाद जनवरी से मई, 2017 के महीनों में यह संख्या मोटे तौर पर 70-80 करोड़ के बीच रही। यूनिफाइड पेमेंट इंटरफेस (यूपीआई) को संचालित करने वाली कंपनी नेशनल पेमेंट्स कॉरपोरेशन ऑफ इंडिया (एन.पी.सी.आई.) के आँकड़ों के मुताबिक जून, 2017 के महीने में यूपीआई से लेन-देन की संख्या 1 करोड़ को पार कर गयी।

नकद–रहित लेन-देन का एक और बड़ा फ़ायदा जाली नोट, संदिग्ध लेन-देन, सीमा पार से धन के लेन-देन के मामलों में कमी के रूप में भी सामने आएगा। आँकड़ों के मुताबिक पिछले वित्त वर्ष 2015-16 के दौरान देश के बाजारों में संदिग्ध लेन-देन, जाली नोट, सीमा पार से धन के लेन-देन के पकड़े गए मामले बढ़कर दोगुना हो गए। वहीं 560 करोड़ रुपए के कालेधन का खुलासा हुआ। वित्त मंत्रालय के प्रतिष्ठित तकनीकी जाँच निकाय फाइनेंसियल इंटलीजेंस यूनिट (एफआईयू) की रिपोर्ट में यह दावा किया गया। इन खुलासों में विमुद्रीकरण के बाद काले धन की

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निगरानी का भी योगदान है। यदि हम सभी डिजिटल लेन-देन अनुप्रयोगों का ज़्यादा प्रयोग करें तो इन समस्याओं में भी कमी आएगी।

इस प्रकार भारतीय अर्थव्यवस्था कम नकदी वाली अर्थव्यवस्था की तरफ़ मज़बूती के साथ कदम बढ़ा रही है। विमुद्रीकरण को इस संदर्भ में अहम् कदम माना जा सकता है। परिस्थितियों के मद्देनजर ही सही, विमुद्रीकरण के दौरान देश की एक बड़ी आबादी ने डिजिटल भुगतान की दिशा में एक बड़ा कदम बढ़ाया। जिसके फायदे भी उन्होंने समझे। आँकड़ों के मुताबिक विमुद्रीकरण के बाद के छह महीने में ही देश में डिजिटल भुगतान में 110 प्रतिशत तक की बढ़ोतरी हुई है तथा दैनिक आधार पर डिजिटल माध्यमों से करीब 85 लाख डिजिटल लेन-देन किए जा रहे है। सरकार भी लेन-देन में पारदर्शिता बरतने, काले धन पर लगाम हेतु वित्तीय एवं बैंकिंग सुविधाओं के डिजिटलीकरण पर ज़ोर दे रही है।

वित्त एवं बैंकिंग सुविधाओं का डिजिटलीकरण

सरकार वित्तीय सुविधाओं के डिजिटलीकरण हेतु तकनीकों का सहारा ले रही है। आधार नंबर के जरिये भुगतान, भीम-भारत इंटरफेस फॉर मनी, यूपीआई, यूएसएसडी, भारत क्यूआर कोड जैसे एप्प इसी के उदाहरण है। वित्तीय लेनदेन में पारदर्शिता एवं लेन-देन में नई तकनीक अपनाना वित्त एवं बैंकिंग सेक्टर के साथ ही पूरे देश के लिए भी अच्छा है। 25 करोड़ जन-धन खातों में सीधे सब्सिडी देना इस दिशा में अग्रगामी कदम माना जा सकता है। सरकार वर्ष 2025 तक नकद लेन-देन को 50% तक सीमित करना चाहती है, इस दिशा में बजट में 2 लाख रुपये से अधिक के नकद लेन-देन को ग़ैर-क़ानूनी घोषित करना एक महत्वपूर्ण कदम है।

इन उपायों द्वारा सरकार जहाँ एक तरफ़ डिजिटल भुगतान को प्रोत्साहित कर रही है, वहीं दूसरी तरफ़ नकद लेन-देन को हतोत्साहित करने हेतु बैंकों के माध्यम से नक़द लेन-देन को महंगा भी बना रही है। समाचार पत्र में प्रकाशित रिपोर्ट के अनुसार, बैंकों ने अपने स्तर पर नकद निकासी पर कई तरह की सीमाएं लगाई हैं, जिसकी वजह से लोग डिजिटल लेन-देन हेतु बाध्य हो रहे हैं। इलेक्ट्रॉनिक्स एवं सूचना प्रौद्योगिकी मंत्रालय के आंकड़ों के अनुसार इन प्रयासों का ही नतीजा है कि डिजिटल भुगतान की संख्या में 110.37 प्रतिशत तक की वृद्धि दर्ज की गई है।

आँकड़ों के मुताबिक विमुद्रीकरण के बाद के छह महीनों में सबसे ज़्यादा 8803% की वृद्धि भीम तथा अन्य एकीकृत भुगतान इंटरफ़ेस से होने वाले लेन-देनों में देखी गई।

भुगतान माध्यम	वृद्धि
भीम एप	8803%
आधार आधारित	390
डेबिट कार्ड	350% से ज्यादा
एम वॉलेट	104%
आईएमपीएस	52%

इन आँकड़ों एवं प्रगामी वृद्धि को देखते हुए यह कहा जा सकता है कि डिजिटल भुगतान ही आने वाले समय की प्रमुख भुगतान व्यवस्था होगी। इन आँकड़ों से यह भी स्पष्ट है कि जिन लोगों ने विमुद्रीकरण के समय खुदरा लेन-देन हेतु डिजिटल भुगतान को अपनाना प्रांरभ किया था, वे अब इसे नियमित आदत के रूप में अपना रहे हैं। ऐसा नहीं होता तो नक़द की उपलब्धता सामान्य हो जाने के बाद, डिजिटल लेन-देनों की संख्या विमुद्रीकरण से पहले के स्तरों पर लौट जानी चाहिए थी। इन आँकड़ों से यह भी दिखता है कि विमुद्रीकरण के बाद डिजिटल भुगतान में काफ़ी वृद्धि हुई है। विशेष रूप से खुदरा लेन-देन में। मगर आगे इसमें निरंतर वृद्धि के लिए प्रोत्साहनों की जरूरत होगी। जिसमें शामिल है वित्तीय साक्षरता, सतर्कता एवं जागरूकता की। क्योंकि कहावत है कि जिस चीज के साथ ज्यादा सहजता एवं आराम जुड़ा होता है उससे ख़तरे भी जुड़े होते हैं। डिजिटल लेन-देन के साधनों के ऊपर यही बात आसानी से लागू होती है। जिसमें जरा-सी चूक होने पर हम अपनी गाढ़ी कमाई से हाथ धो बैठते है। अनजान फोन कॉल, ई-मेल को माध्यम बनाकर अपराधी बैंक खातों को खाली कर रहे है। लोग साइबर ठगी के शिकार हो रहे है।

डिजिटल बैंकिंग एवं धोखाधड़ी

डिजिटल बैंकिंग के साथ जुड़े जोखिमों की वजह से देश की बड़ी आबादी अभी भी डिजिटल लेन-देन से परहेज़ कर रही है। इस परहेज़ के पीछे की मुख्य वजह है- डिजिटल जोखिम, अशिक्षा, समझ एवं जागरूकता की कमी। साथ ही इसके प्रति गरीब एवं निम्न मध्यम वर्ग की हिचक एवं असुरक्षा भी वजह है। इसके साथ विडंबना यह भी है कि इन साधनों का ज़्यादा प्रयोग पढ़े-लिखे लोग करते है और वह वर्ग भी ठगी का शिकार होता है।

सरकार के लिए भी हाल के दिनों में रैनसमवेयर जैसे बड़े साइबर हमले, आधार, डेबिट कार्ड का डाटा लीक होने जैसी घटनाएं डिजिटल लेन-देन के लिए बड़ी चुनौती हैं। जब से ऑनलाइन बैंकिंग पर ज़ोर बढ़ा है हर दिन ऐसे मामले सामने आने लगे है। बीते वर्ष 19 अक्तूबर की साइबर फ्रॉड की घटना का उदाहरण लें। जब देश के कई बड़े बैंकों के डेबिट कार्डों की डाटा चोरी की शिकायत सामने आई थी। भारतीय बैंकिंग इतिहास का यह सबसे बड़ा साइबर हमला था। बीते दिसंबर में भी मोबाइल वॉलेट कंपनी पेटीएम ने विभिन्न ग्राहकों द्वारा 6.15 लाख रुपए की धोखाधड़ी की शिकायत दर्ज कराई थी। कार्ड क्लोनिंग के मामले भी अक्सर सामने आते रहते है।

बीते मई में भारत समेत दुनिया के करीब 150 से अधिक देशों को प्रभावित करने वाले 'वानाक्राई-रेनसमवेयर' एवं 'पेटव्रैप' वायरस के वैश्विक साइबर हमले से पूरी दुनिया प्रभावित हुई थी। इस साइबर हमले से भारत के सर्वर भी प्रभावित हुए थे। आमतौर पर ऐसा माना जाता है कि वायरस कंप्यूटर में ग़लत तरीके से घुस जाते हैं। जिसका उद्देश्य या तो कंप्यूटर का डाटा चुराना या फिर उसे मिटाना होता है। मगर रैनसमवेयर ऐसा अनूठा वायरस था जो सिस्टम में घुसकर डाटा लॉक कर देता था। जिस वजह से उपयोगकर्ता तब तक अपने डाटा तक नहीं पहुँच पाता, जब तक वह रैनसम यानि फ़िरौती नहीं देता।

इन साइबर हमलों के मद्देनजर बैंकों की साइबर सुरक्षा एक महत्वपूर्ण मुद्दे के रूप में उभरकर आई है। समाचार माध्यमों में प्रकाशित रिपोर्टों के मुताबिक, देश के अधिकांश बैंक साइबर हमले के आसान लक्ष्य हैं। आँकड़ों के मुताबिक, देश में वित्तीय संस्थान कुल बजट का अनुमानत: 1% भी साइबर सुरक्षा पर व्यय नहीं करते। जबकि संभावित खतरों को देखते हुए डिजिटल सुरक्षा पर 5 से 6 हजार करोड़ रुपए सालाना व्यय बढ़ाने की जरूरत है। क्योंकि डिजिटल सुरक्षा में कमी के कारण ही बैंकिंग संस्थानों को करीब ₹255 अरब का सालाना नुकसान होता है। जबकि अंतरराष्ट्रीय स्तर पर बैंकिंग/वित्तीय संस्थान साइबर सुरक्षा पर सालाना 12% तक व्यय करते है। केवल अमेरिका के चार बैंकों द्वारा ही वर्ष 2015 में साइबर सुरक्षा पर 96 अरब रुपए व्यय किए गए। जिसमें जेपी मॉर्गन जैसे बैंक भी शामिल हैं।

हमारे देश में साइबर सुरक्षा इसलिए ज़्यादा बड़ी चुनौती है क्योंकि भारत दुनिया का दूसरा सबसे बड़ा ऑनलाइन बाज़ार है। वर्ष 2015 तक ही भारत में करीब 6 करोड़ ऑनलाइन बैंकिंग उपभोक्ता थे। 2020 तक इसमें 300% तथा 2025 तक 600% तक की बढ़ोतरी की उम्मीद है। ऊपर दिए गए आँकड़ों एवं सरकारी प्रोत्साहनों से यह सहज अंदाज़ा लगाया जा सकता है कि डिजिटल बैंकिंग की लोकप्रियता बढ़ रही है। पर इससे इंकार नहीं किया जा सकता कि जहां इसके धारकों को कई प्रकार की बैंकिंग सुविधाएं प्राप्त हुई हैं वहीं दूसरी ओर कई बार उन्हें नए प्रकार के ख़तरों का भी सामना करना पड़ता है।

दिन-प्रतिदिन घटित होते ऐसे मामलों को देखते हुए यह जरूरी है कि साइबर सुरक्षा के प्रत्येक मोर्चे पर सतर्कता बरती जाए। रोज़ ही सार्वजनिक एवं निजी क्षेत्र के बैंकों में ऐसी सैकड़ों शिकायतें दर्ज कराई जाती हैं और हर घटना यह बताती है कि डिजिटल बैंकिंग का कोई भी मोड पूर्णत: सुरक्षित नही है और सिर्फ हमारी सतर्कता ही हमें बचा सकती है। ऐसी घटनाएं, डिजिटल माध्यमों से हुई धोखाधड़ियों के चंद उदाहरण मात्र हैं। प्रत्येक घटना में डिजिटल बैंकिंग के अलग-अलग माध्यमों का प्रयोग करके ग्राहकों को धोखा दिया गया।

बैंकिंग प्रणाली के ऑनलाइन होने से ग्राहकों से जुड़ी तमाम वित्तीय जानकारियां सर्वर में मौजूद हैं, जिसके हैक होने की आशंका हमेशा बनी रहती है, परंतु आवश्यक सावधानी बरत कर इस प्रकार की धोखाधड़ी से एक हद तक बचा जा सकता है। भारत में ई-कॉमर्स में इज़ाफ़ा होने के बाद से हम सभी इंटरनेट के

जरिए ऑनलाइन खरीदारी कर रहे हैं, परंतु ऑनलाइन खरीदारी में किस प्रकार की सतर्कता एवं सावधानियां रखनी चाहिए इससे अनजान हैं।

डिजिटल बैंकिंग में धोखाधड़ी एवं बचाव

साइबर अपराध के विशेषज्ञों के अनुसार, देश में साइबर अपराधों के ऐसे मामले तेजी से बढ़ रहे हैं जिनमें लोगों ने जालसाज़ों के झांसे में आकर अपनी बैंकिंग संबंधी सूचनाएँ दे दी। टू कालर के सर्वेक्षण के अनुसार देश में हर व्यक्ति को औसतन 22 अवांछनीय फ़ोन कॉल आती हैं, जिनमें साइबर ठगों की फ़ोन कॉलें भी शामिल हैं।

एक अन्य सर्वे रिपोर्ट के मुताबिक महानगरीय शहरों की तुलना में छोटे शहरों और कस्बों के बैंक ग्राहकों को हैकरों ने ज्यादा निशाना बनाया है, जो स्मार्ट फोन के साथ जागरूकता नहीं पहुंचने का अंजाम है। एक ई-मेल या संदेश में वायरस भेजकर हैकर स्मार्टफोन में घुस जाते हैं और सारी जानकारी चुराकर आपकी कमाई पर धावा बोलते हैं। ऐसे में यह जरूरी है कि अनजान यूआरएल को स्मार्टफोन में या निजी सिस्टम पर नहीं खोलें। अवांछनीय कॉल के ज़रिए साइबर अपराधी लोगों को भारतीय रिज़र्व बैंक या बैंक कर्मी बताकर झांसे में लेते हैं। कई लोग उन्हें अपने पिन, पासवर्ड आदि बता देते हैं, लेकिन जब तक उन्हें अपनी गलती का अहसास होता है उनकी रकम एक खाते से दूसरे खाते में चली जाती है।

समाचार पत्र में प्रकाशित आँकड़ों के मुताबिक साइबर हमले अपराध तेजी से बढ़ रहे है-

साइबर अपराध	2014	2015	2016
आँकड़े (नोट - इनमें वित्तीय संस्थानों में हुए हमले भी शामिल है)	44,679	49,415	50,362

उपर्युक्त सारणी से स्पष्ट है कि साइबर अपराध के मामलों में वर्ष-दर-वर्ष इजाफा हो रहा है। इसके अतिरिक्त वित्तीय साइबर अपराधों पर नजर डालें, तो जुर्म का दायरा बढ़ता जा रहा है, जिसे निम्न सारणी द्वारा आसानी से समझा जा सकता है-

वित्तीय साइबर अपराध	2013-14	2014-15	2015-16	2016-17
आँकड़े	9500	13,083	16,468	19,000

इन आँकड़ों से स्पष्ट है कि तकनीक की आड़ में होने वाले अपराधों का दायरा वर्ष-दर-वर्ष बढ़ता जा रहा है। साथ ही, ज़्यादातर अपराध ए.टी.एम., डेबिट कार्ड, क्रेडिट कार्ड और इंटरनेट बैंकिंग के जरिए हुए। पिछले सवा तीन साल में 102 बैंकों ने अपने 88,553 रुपए प्रति घंटे गवाएं है। अप्रैल, 2014 से 30 जून, 2017 तक 46,612 मामलों में बैंकों को 252 करोड़ रुपए का नुकसान हुआ है।

इन आँकड़ों से यह स्पष्ट है कि वर्तमान समय की मांग एवं ज़रूरत के मुताबिक 'डिजिटल बैंकिंग' को और ज्यादा सतर्क एवं सुरक्षित बनाया जाना नितांत आवश्यक है। इस हेतु बैंकों एवं नियामक संस्थाओं को और ज़्यादा उपाय करने होंगे। जिससे वर्तमान समय की मांग 'डिजिटल बैंकिंग' को सुरक्षित बनाया जा सके।

बैंकिंग में इलेक्ट्रॉनिक लेन-देन सिस्टम एक स्विच के माध्यम से होता है। हैकर इसी स्विच को हैक कर ग्राहकों की जानकारी प्राप्त कर लेते हैं। अत: बैंकों को प्रत्येक लेन-देन का एस.एम.एस. अलर्ट ग्राहकों को भेजना चाहिए। अधिकांश बैंक ऐसा कर भी रहे है। स्विच प्रबंधनकर्ता या स्विच सुरक्षा प्रबंधक को किसी खाते में सामान्य के मुकाबले अचानक अधिक लेन-देन होने पर भी सतर्कता बरतनी होगी।

हमारे देश में ग्राहकों के अधिकारों की रक्षा के लिए बैंकिंग लोकपाल, उपभोक्ता फोरम, अदालतें इत्यादि गठित हैं। भारतीय रिज़र्व बैंक के दिशानिर्देश भी हैं। जिसके अनुसार ग्राहक की लापरवाही से इलेक्ट्रॉनिक लेन-देन से हुई धोखाधड़ी की सूचना बैंक को देनी होगी, अन्यथा ग्राहक को ही पूरा नुकसान उठाना पड़ेगा। पुलिस भी ऐसे मामलों को भारतीय दंड संहिता की धारा-420 (धोखाधड़ी) के तहत दर्ज करती है।

बैंकिंग लोकपाल के आंकड़ों के मुताबिक, बैंकिंग लोकायुक्त के पास सबसे ज्यादा शिकायतें ए.टी.एम.-डेबिट कार्ड से संबंधित ही आती हैं। जिसमें ए.टी.एम. मशीन से पैसे नहीं निकलने, कार्ड की क्लोनिंग होने, ए.टी.एम./डेबिट कार्ड के पास में रहने के बावजूद पैसे की निकासी हो जाने जैसी शिकायतें सबसे अधिक हैं। इन मामलों को ज्यादा संवेदनशीलता के साथ निपटने की जरूरत है। अर्थात् इन शिकायतों को केवल शिकायत एवं निपटान के तौर पर नहीं देखकर यदि एक ही जगह के ए.टी.एम. से ऐसे मामले सामने आते है तो ग्राहकों से भी पूरी पूछताछ करनी चाहिए, ताकि भविष्य में ऐसे मामले दुबारा हों तो उन पर ज्यादा विशेषज्ञता के साथ निपटा जा सके। हालांकि देश में कमज़ोर साइबर कानूनों के साथ इस प्रकार के साइबर अपराधों से निपटने में कई प्रकार की चुनौतियाँ है। साथ ही पर्याप्त विशेषज्ञ पुलिसबल एवं जांचकर्ताओं की भारी कमी को देखते हुए भी यह एक बड़ी चुनौती है।

ऐसे में डिजिटल बैंकिंग में धोखाधड़ी से बचाव हेतु सतर्कता एवं साक्षरता ही एकमात्र उपाय है। यदि हम सतर्क, सचेत रहें, तकनीक में रोज हो रहे बदलावों से अद्यतन रखें तो एक हद तक साइबर ठगी या धोखाधड़ी से अपने-आप को सुरक्षित रख सकते है। क्योंकि एक अनजान फोन कॉल, ई-मेल या मैसेज पर जरा-सी चूक होने पर ही लोग साइबर ठगी का शिकार हो जाते है। अक्सर साइबर अपराधी इन माध्यमों को रास्ता बनाकर आसानी से आपके बैंक खाते, डेबिट या क्रेडिट कार्ड में सेंध लगा देते हैं। ऐसे अपराधों की लंबी फेहरिस्त होने के बावजूद लोग झांसे में आ रहे हैं। बैंकों के पास भी ऐसी घटनाओं को रोकथाम के लिए तत्काल कोई उपाय नहीं है और कानून के पास भी तत्काल उपचार नहीं है।

सुरक्षा विशेषज्ञों के अनुसार भी डिजिटल लेन-देन में सतर्कता एवं सावधानी ही एकमात्र उपाय है। उदाहरणार्थ, यदि बैंक से आपको वित्तीय जानकारी से संबंधित कोई भी पत्र प्राप्त हो तो यह सुनिश्चित करें कि वह सीलबंद हो। अनजाने मेल या लॉटरी से संबंधित मेल को किसी भी तरह खोलने की कोशिश न करें। चाहे कोई भी आपके कॉल करके बैंक संबंधी जानकारी मांगे, उसे कोई जानकारी न दें, क्योंकि बैंक इस संबंध में कोई जानकारी नहीं मांगता। बैंकिंग संबंधी सूचना लेने के लिए आने वाली फोन कॉल करने वाले से ज्यादा बात नहीं करें। अपना मोबाइल नंबर बैंक में रजिस्टर्ड करायें तथा उसे हमेशा अपने पास रखें। खाते, ए.टी.एम., क्रेडिट, डेबिट कार्ड और बैंक के अन्य दस्तावेज़ों की जानकारी अपने जानकार को न दें। मोबाइल पर इनाम संबंधी भ्रमित करने वाले कॉल के चक्कर में न फंसें। ऑनलाइन शॉपिंग के लिए सुरक्षित व वैध साइट का ही उपयोग करें। साइट के पेमेंट वेरीफ़िकेशन टूल्स पर भी सतर्कता से नजर रखें। साथ ही अनजान फोन काल या सोशल मीडिया पर अपनी व्यक्तिगत जानकारी शेयर करने से बचें। अनजान फोन, ई-मेल या एस.एम.एस. के पीछे हैकर छिपे हुए होते हैं। इस तथ्य से बड़ी तादाद में लोग अपरिचित है। हालांकि समय-समय पर बैंकों/भारतीय रिज़र्व बैंक द्वारा ग्राहकों को सूचित किया जाता है कि वे किसी को भी बैंकिंग से जुड़ी जानकारी साझा नहीं करें। बैंक, ग्राहकों को जागरूक भी कर रहे हैं। लेकिन संख्या बड़ी है एवं तरीका भी नया है अत: इस पर लगाम लगने में समय लगेगा।

उपर्युक्त संदर्भों में यह कहा जा सकता है कि विमुद्रीकरण के बाद डिजिटल बैंकिंग की माँग बढ़ी है। क्योंकि इसके फायदे अनगिनत है। परंतु इसकी सबसे बड़ी चुनौती है – इसके प्रयोग से जुड़ी सुरक्षा। जो काफ़ी हद तक वित्तीय साक्षरता, सतर्कता एवं जागरूकता पर निर्भर है। पर यह भी कभी-कभी असफल साबित हो सकता है। फिर भी यह कहा जा सकता है कि जैसे कंप्यूटरीकरण समय की मांग थी, वैसे ही डिजिटल बैंकिंग भी समय की ज़रूरत है। ऐसे में ज़रूरत है कि महानगरों के साथ ही छोटे शहरों एवं ग्रामीण क्षेत्रों में डिजिटल भुगतान को कारगर बनाया जाए। इसकी लोकप्रियता बढ़ाने हेतु ज़रूरत है वित्तीय साक्षरता पर बल देने की। अंत में डिजिटल बैंकिंग की चुनौतियों से बचाव हेतु हम सभी जागरूक व सतर्क रहें तथा बैंकिंग क्षेत्र में आए दिन हो रहे तकनीकी बदलावों से अपने को अद्यतन रखें। साथ ही इसे सुरक्षित बनाने हेतु सभी हितधारक मिलकर कार्य करें। डिजिटल बैंकिंग एक ऐसी धुरी है जिसके ऊपर भविष्य की बैंकिंग आधारित होगी। क्योंकि यह एक कारगर विकल्प है।

Author: **Shri Waman Gokhale**
Pages : 150
Price : ₹ 200/-

Reviewed by
V N Kulkarni
Ex-Deputy General Manager and Principal
Management Development Institute, Bank of India

Banking Beyond Books-Stories of A Successful Banker

To meet the emergent situation, the new personnel in the banking sector should be equipped with the required knowledge and skill to cater to the different banking requirements of the ever increasing customers. Further, the present day banking is complex and complicated unlike three decades back, as the banks today are financial supermarkets in an universal banking environment. Needless to add that in enhancing the knowledge of bank employees, publications and reading the banking literature play a vital role. It is in this background; new publication of books like the one under review becomes relevant.

Written in lucid language, the book is handy and can be used as a reference material by the fresher's especially B-school students, banking students and others who are interested in the banking and financial sector.

The youngsters who have just joined the banking sector have been asked to shoulder higher responsibilities. At times some quick and hard decisions need to be taken. In the good olden days, the youngsters had the advantage of consulting their senior colleagues to weigh the pros and cons of a decision but today, that luxury is not available to all, as many seniors have retired or on the verge of retirement. The standard textbooks on banking do not give solutions to the typical problems faced by the operating staff. Take an example a locker holder has left open the locker in the branch late in the evening hours without locking it and a few items are lying on the floor and is not reachable over phone. In a situation like this the next alternative left for the newly recruited staff is to contact Area Manager's /Regional Manager's office for guidance. Unfortunately, they too are not reachable or in some circumstances standard

BOOK REVIEW

answers 'handle the situation tactfully'. What is tact, how to handle is always missing. A situation where one has to cruise through finding his own way may be through experiments, but then, do bankers have time to do experiments? It may turn out to be a costly affair.

This is where books narrating experiences by seasoned bankers come handy. The book under review can definitely give an insight on 'How to handle tactfully'. Mr. Gokhale in his book 'Banking Beyond Books' true to its title has brought out various situations which he had faced during his 40 years of banking career. The book has been arranged in eight chapters. Each chapter written in a simple easy to understand language. The critical moments faced during the course of his career and solutions found out to meet the challenges will be of great use to the youngsters.

What is more interesting about the book is that at the end of each chapter Mr. Gokhale has given 'Take away' which should act as leadership lessons. The book should find a place in the libraries of not only training colleges of banks but also in all the management institutes. For the youngsters who have joined the banking industry recently the book should serve as a good reading containing collection of true life stories in banking industry.

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Articles submitted to the Bank Quest should be original contributions by the author/s. Articles will only be considered for publication if they have not been published, or accepted for publication elsewhere.

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The Editor: Bank Quest

Indian Institute of Banking & Finance,

Kohinoor City, Commercial-II, Tower-1,2nd Floor, Kirol Rd., Kurla (W), Mumbai - 400 070, INDIA.

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The primary objective of Bank Quest is to present the theory, practice, analysis, views and research findings on issues / developments, which have relevance for current and future of banking and finance industry. The aim is to provide a platform for Countinuing Professional Development (CPD) of the members.

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Every article submitted to the Bank Quest is first reviewed by the Editor for general suitabillty. The article may then be vetted by a subject matter expert. Based on the expert's recommendation, the Editor decides whether the article should be accepted as it is, modified or rejected. The modifictions suggested, if any, by the expert will be conveyed to the author for incorporation in case the article is considered for selection. The author should modify the article and re-submit the same for the final decision o the Editor. **The Editor has the discretion to vary this procedure**.

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1) *Word length:*

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   A brief autobiographical note should be supplied including full name, designation, name of organization, telephone and fax numbers, and e-mail address (if any), or last position held, in case of retired persons. Passport size photograph should also be sent along with the submission.

4) *Format:*

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   The reproduction of any photos, illustration or drawings will be at the Editor's discretion. Sources should be explicitly acknowledged by way of footnote, all computer-generated printouts should be clear and sharp, and should not be folded.

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   Words to be emphasised should be limited in number and italicised. Capital letters should be used only at the start of the sentences or for proper names.

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