



**ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION**  
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Dear Comrades,

14th December , 2017

News of Interest 14th DEC

### MOTIVATIONAL QUOTES

“FAITH IS TO BELIEVE WHAT YOU DO NOT SEE; THE REWARD OF THIS FAITH IS TO SEE WHAT YOU BELIEVE. “ SAINT AUGUSTINE

### HIGHLIGHTS

1. DEADLINE FOR QUOTING AADHAAR, PAN IN FINANCIAL DEALINGS EXTENDED TO MAR 31
2. RBI IMPOSES RS 3 CR PENALTY ON INDUSIND BANK
3. BANKS SET TO REFER 23 OF 28 LARGE STRESSED ACCOUNTS TO NCLT
4. FINANCE MINISTRY MEETS PSB BRASS TO GAUGE CAPITAL REQUIREMENTS
5. CORPORATION BANK UNDER PCA
6. CATHOLIC SYRIAN BANK TO ENTER 2-WHEELER FINANCING FROM JAN

### Business Standard

#### 1. Deadline for quoting Aadhaar, PAN in financial dealings extended to Mar 31

The deadline was earlier December 31

[Press Trust of India](#)

The government today extended by three months till March 31, 2018 the deadline for mandatory quoting of Aadhaar and PAN for all bank accounts and certain financial transactions.

The government had made quoting of the 12-digit biometric identifier Aadhaar mandatory for old and new bank accounts as well as for any financial transaction of Rs 50,000 and above. The previous deadline was December 31, 2017.

"...it has been decided to notify 31 March, 2018 or six months from the date of commencement of account based relationship by the client, whichever is later, as the date of submission of the Aadhaar number, and Permanent Account Number or Form 60 by the clients to the reporting entity," an official release said here.

The decision to extend the deadline was taken after various representations as well as inputs received from banks, it added.

The Centre last week informed the Supreme Court that it is willing to extend till March 31 the deadline for mandatory linking of Aadhaar to avail various services and welfare schemes.

Last week, the deadline for linking PAN with Aadhaar too was extended by three months to March 31, 2018.

## **2. RBI imposes Rs 3 cr penalty on IndusInd Bank**

A notice was issued to the bank 'advising it to show cause as to why penalty should not be imposed' on it for non-compliance with directions issued by RBI

Press Trust of India

The Reserve Bank today said it has imposed a penalty of Rs 3 crore on IndusInd Bank for deficiencies in regulatory compliance.

"A monetary penalty of Rs 30 million on IndusInd Bank" has been imposed for non-compliance with the directions on Income Recognition and Asset Classification (IRAC) norms and contravention of regulatory restrictions pertaining to non-fund based (NFB) facilities, the RBI said a release.

"This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers," the central bank said.

The penalty was imposed yesterday.

Giving details, it said that the statutory inspection of the bank with reference to its financial position as on March 31, 2016 revealed, inter alia, violations of various regulations issued by the RBI in the assessment of non-performing assets (NPAs) and extension of NFB facilities.

A notice was issued to the bank "advising it to show cause as to why penalty should not be imposed" on it for non-compliance with directions issued by RBI.

After considering the bank's reply, oral submissions made in the personal hearing, and also the additional information and documents furnished, RBI said it came to the conclusion that the charges of non-compliance with RBI directions/guidelines were substantiated and warranted imposition of monetary penalty.

## **Financial Express**

### **3. Banks set to refer 23 of 28 large stressed accounts to NCLT**

With the RBI's deadline ending today to resolve the 28 large stressed accounts that the regulator had identified on its second list, banks are set to refer as many as 23 of them for insolvency proceedings

By: PTI

With the RBI's deadline ending today to resolve the 28 large stressed accounts that the regulator had identified on its second list, banks are set to refer as many as 23 of them for insolvency proceedings. In August, the Reserve Bank had asked banks to either resolve the 28 more large stressed accounts by December 13 or refer them to the National Company Law Tribunal (NCLT) by December 31. These 28 accounts together account for 40 per cent of bad loans of around Rs 4 trillion. "Except for Anrak Aluminium, Jayaswal Neco Industries, Soma Enterprises and Jaiprakash Associates, all other accounts are going to the NCLT (for resolution)," a senior banker told PTI. Some of the large accounts which are likely to go to the NCLT include Asian Colour Coated Ispat, Castex Technologies, Coastal Projects, East Coast Energy, IVRCL, Orchid Pharma, SEL Manufacturing, Uttam Galva Metallic, Uttam Galva Steel, Visa Steel, Essar Projects, Jai Balaji Industries, Monnet Power, Nagarjuna Oil Refinery, Ruchi Soya Industries and Wind World India.

In the case of Anrak Aluminium, the lenders are looking for a one-time settlement while for Soma Enterprises, the banker said the account is closer to resolution. For Jaiprakash Associates — its EPC business arm — the lenders are seeking the Reserve Bank approval for a "deep restructuring", another banker said. The lenders have also sought RBI permission to extend the December 13 deadline for Videocon Industries, where they have huge exposure, said another banker. "If the RBI gives us some extension for Videocon Industries, then it is fine. Otherwise, it will also have to go to the NCLT," said the banker. "For these accounts, there is hardly any traction for us to do it in another 10-15 days," said a senior official from a state-owned bank.

The lenders have the restructuring option under S4A (Scheme for Sustainable Structuring of Stressed Assets), SDR (Strategic Debt Restructuring) or 5/25 schemes till today. Many bankers said that though they asked for extension on today's deadline, they don't expect the RBI to oblige. Once these accounts pass the resolution deadline, banks will have to refer them to the NCLT in the next 18 days, that is December 31. Banks will also have to make a provision of 50 per cent on these accounts by March 2018. It can be noted that of the 12 largest accounts that the RBI had named on the June list, 11 of them are under the NCLT. These 12 accounts were worth a quarter of over Rs 10 trillion dud loans in the system.

## **Economic Times**

### **4. Finance Ministry meets PSB brass to gauge capital requirements**

By *Dheeraj Tiwari*

The finance ministry has held meetings with the top brass of about half-dozen state run banks as part of efforts to gauge the capital requirements of the lenders, people aware of the matter said.

So far banks, including Allahabad Bank, Bank of India, IDBI Bank, Syndicate and Punjab & Sind Bank, have made presentations to ministry officials.

"Banks have been asked to share all details on how they plan to raise money and also on sale of their non-core assets," said an official, who did not wish to be identified.

The chief financial officers of the banks are making presentations on their capital adequacy ratio and non-performing portfolio, among other financial parameters, the official said.

This comes after almost all banks shared concerns with the government to the effect that most of the accounts identified by the central bank for resolution by December would end up for recovery through the Insolvency and Bankruptcy Code.

In August, the Reserve Bank of India had identified another 28 accounts that banks were asked to resolve by December 13, failing which these would have to be taken for insolvency proceedings.

A senior finance ministry official, however, said that under the capital infusion plan for public sector banks, all such assumptions were factored in and it should not impact the lenders' key ratios including capital adequacy.

In October, the government had announced a Rs 2.1 lakh crore capital infusion plan for state-owned banks, of which Rs 1.35 lakh crore was to be raised through bonds.

"But we are doing an assessment and all other factors are also being taken into account. This will also set the path for consolidation," the official said, adding that only some banks will get growth capital while most would be capitalised only to meet the regulatory norms. "Smaller banks have been asked to focus on a niche area instead of following big banks."

Last week, after the monetary policy review, RBI governor Urjit Patel had said recapitalisation bonds would be front-loaded for banks that have managed their balance sheet strength more prudently and can use it to lend besides providing for legacy asset losses.

"Other banks will receive government contribution based on their resolve and progress towards reform...such as becoming slim and trim," he had said.

## **Business Line**

### **5. Corporation Bank under PCA**

#### **OUR BUREAU**

The RBI has placed Corporation Bank under the prompt corrective action framework in view of high non-performing assets (NPAs) and the requirement to raise the bank's capital. The bank informed the stock exchanges on Wednesday that this action will not have any material impact on its performance and will contribute to improving its internal controls. The gross and net NPAs of the bank stood at 15.28 per cent and 10.24 per cent, respectively, during the second quarter of the current financial year.

### **6. Catholic Syrian Bank to enter 2-wheeler financing from Jan**

To woo youngsters, Catholic Syrian Bank, one of the oldest private sector banks in the country, intends to roll out a two-wheeler financing vertical from the New Year.

For most young people, two-wheeler loan is their first loan. The two-wheeler business will bring a new set of customers to the bank, which will open up avenues for cross-selling, thereby improving fee and other income, CVR Rajendran, MD and CEO, said.

The new vertical, replicating the NBFC model, will function like a strategic business unit (SBU) with the entire structure de-linked from the usual branch operations. Some new-generation banks are doing exceedingly well in this area and it is all about having the people and systems right, he told *Business Line*.

India, according to him, is the biggest market for two-wheelers and finance plays an important role in the purchase process. The bank is creating exclusive vertical targeting aggressive volumes and has recruited some senior resources from the two-wheeler finance industry to drive this business. Customers will be given loan approvals in three minutes. The two-wheeler product will be driven by strong underwriting skills combined with an advanced technology platform.

The bank also plans to offer unique products and low interest rates to customers purchasing high-end racing bikes and super bikes.

Besides, the bank is also planning to enter into used-car finance. Reduction in average car ownership along with low penetration of finance in used-car sales throws up ample opportunities. CSB will build unique financing products and set up a separate focussed business vertical for financing used cars.

CSB is also looking to get a bigger share of the NRI remittance business.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)**  
**GENERAL SECRETARY**

