



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)

163/4, Kutchery Road, Mylapore, Chennai - 600004

E mail i.d: aiubparf@gmail.com/ ubioatnng@gmail.com/ suryanarayananram@gmail.com

Com. P.B. Thomas Chairman Thiruvananthapuram M: 09447177456	Com. Nitin Desai President Ahmedabad M: 097277 60641	Com. S. Bagchi Working President Kolkata M: 0983081586	Com. N. Govindarajulu General Secretary Chennai M: 09841089111
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Dear Comrades,

17 th August , 2018

News of Interest 17th AUG

MOTIVATIONAL QUOTES

'I HAVE A VISION OF INDIA: AN INDIA FREE OF HUNGER AND FEAR, AN INDIA FREE OF ILLITERACY AND WANT. '

ATAL BIHARI VAJPAYEE

HIGHLIGHTS

1. ATAL BIHARI VAJPAYEE PASSES AWAY AT AIIMS AFTER PROLONGED ILLNESS. HE WAS 93
2. HOW MALVINDER AND SHIVINDER SINGH BURNED THROUGH \$2 BN FOR THEIR GURU
3. WORST OVER FOR PSBS, Q1 PERFORMANCE MUCH BETTER, SAYS DFS SECRETARY
4. BANK CREDIT GROWS 12.7% IN THE FORTNIGHT TO AUGUST 3: RBI
5. EXPECT SOME PSBS TO COME OUT OF PCA FRAMEWORK THIS FISCAL, SAYS DFS SECY

Financial Express

1. Atal Bihari Vajpayee passes away at AIIMS after prolonged illness. He was 93

Atal Bihari Vajpayee, former Prime Minister of India and Bharatiya Janata Party (BJP) stalwart, breathed his last on Thursday at Delhi's AIIMS where he has been hospitalised since June 11

By: [FE Online](#)

Atal Bihari Vajpayee, former Prime Minister of India and Bharatiya Janata Party (BJP) stalwart, breathed his last on Thursday at Delhi's AIIMS where he has been hospitalised since June 11. Atal Bihari Vajpayee, the oldest living Indian Prime Minister, had suffered a stroke in 2009 which affected his

speech. He reportedly suffered from dementia and diabetes and was confined to a wheelchair. Known as a master orator and a true statesman, Vajpayee remained isolated from public life in his last few years. Vajpayee had served as the Indian Prime Minister for three terms and was honoured with the Bharat Ratna in 2015. The 10-time Lok Sabha MP was last seen on TV when he was conferred with India's highest civilian honour by then president Pranab Mukherjee.

Prime Minister Narendra Modi visited the AIIMS on August 15 evening to enquire about the condition of Vajpayee. He reached the hospital at around 7.15 pm and spent about 50 minutes there. After Modi, Railway Minister Piyush Goyal and BJP MP Meenakshi Lekhi also paid a visit. Atal Bihari Vajpayee reportedly took his last breath at around 5:05 PM.

"I have no words, I am filled with emotions right now. Our respected Atal ji is no more. Every moment of his life he had dedicated to the nation," PM Narendra Modi tweeted after Vajpayee's demise.

Later in the night, several leaders and ministers including Suresh Prabhu, Jitendra Singh, Harsh Vardhan and Shahnawaz Hussain visited the hospital. Earlier, Union Textiles Minister Smriti Irani had visited the hospital to check on Vajpayee.

On Thursday morning, many other senior leaders including vice president Venkaiah Naidu visited AIIMS to enquire about the condition of the former prime minister. The 93-year-old Bharatiya Janata Party leader was admitted at the All India Institute of Medical Sciences (AIIMS) on June 11 with a kidney tract infection, urinary tract infection, low urine output and chest congestion.

He has one functional kidney and had suffered a stroke in 2009 that weakened his cognitive abilities. Subsequently, he had developed dementia.

Business Standard

2. How Malvinder and Shivinder Singh burned through \$2 bn for their guru

Gurinder Singh Dhillon is a key character in the unravelling of the financial and health-care empire owned by the Singh brothers

Ari Altstedter

Along the river Beas in North India sits a sprawling spiritual commune that's somewhere between a traditional ashram and a Florida gated community. There's a grand meeting hall with tiered spires and pearl domes, but also tract housing and an American-style supermarket. It's home to 8,000 devotees of the Master: Gurinder Singh Dhillon.

His group, the Radha Soami Satsang Beas, says it has more than 4 million followers worldwide. Many call him a God in human form. But in the secular world of money, Dhillon, 64, is a key character in one of the most dramatic collapses in the annals of Indian business: The unravelling of the financial and health-care empire owned by the Singh brothers, Malvinder and Shivinder.

Over the years, the brothers' main holding company loaned about Rs 25 billion (\$360 million) to the Dhillon family and property businesses largely controlled by them, according to documents and people familiar with the matter. Some of those outlays were financed with money borrowed from the Singhs' listed companies, and when combined with other Singh investments gone bad threw their empire into a debt spiral, a Bloomberg News analysis of public records and interviews with 10 people familiar with the finances of both camps showed.

Heirs to a generations-old business house once worth billions, the brothers have in the last six months seen a dramatic fall in their fortunes. They've had their public shareholdings seized by lenders. They're under a criminal probe by financial authorities over Rs 23 billion missing from their listed companies. They owe \$500 million over fraud allegations related to the 2008 sale of drugmaker Ranbaxy Laboratories. They've also lost the family mansion. Both deny any wrongdoing.

Dhillon is a cousin of the Singhs' mother, and he became a surrogate father to them after the death of their own in the late 1990s. Since then, the finances of the spiritual leader and the brothers have grown intertwined, with money flowing from the Singhs to the Dhillon family via loans through shell companies and an array of arcane financial instruments, according to the documents and people familiar with the matter, who asked not to be named because of the ongoing legal probes. Dhillon hasn't been accused of any wrongdoing.

All members of the spiritual commune, including the guru, are expected to support themselves financially, and the sect's representatives said the Master's business dealings are a personal matter separate from his role at the spiritual group.

The Singhs' downfall comes as Prime Minister Narendra Modi pushes to increase transparency and attract more foreign investment to the world's fastest-growing major economy. But the brothers' story is a cautionary tale to anyone doing business in India, offering a window into the opaque corporate structures common in the family dynasties that dominate Indian commerce.

"This opacity makes for risk," said Arun Kumar, an economist with the New Delhi-based Institute of Social Sciences. "Legitimate business people may not want to come to India."

The Singhs are famous for expanding their two public firms – hospital operator Fortis Healthcare Ltd and financial firm Religare Enterprises Ltd – at breakneck speed after reaping \$2 billion from the Ranbaxy sale. Less known is the massive debt they took on to do so, all while they were financing a real-estate portfolio largely owned by their guru's family.

Malvinder, 45, and Shivinder, 43, haven't been charged with any crimes. The brothers acknowledge having financial ties to Dhillon, and in written comments said they are in dialogue with the Dhillon family and its companies to address the money owed to them.

But they also said it would be "untrue" to suggest that the guru was a cause of their group's financial troubles. "Malvinder and Shivinder are unequivocal about this: Mr Dhillon is their spiritual Master," the brothers wrote. "He has

only ever acted out of love and has only ever had their best interests at heart."

They're less generous to another follower of the spiritual group, Sunil Godhwani, whom they say was appointed to lead Religare at Dhillon's recommendation. They say Godhwani was also in charge of their holding company, RHC Holding Pvt, and often took decisions without informing them. They say he was the architect of the financial structures, including the loans to the Dhillon family and companies, that led to their financial troubles.

Bloomberg News has been unable to independently verify the Singhs' claims that Godhwani ran their holding company in the period between 2010 and 2016, when most of the major borrowing, loans, investments and routing of funds occurred. RHC says he was president there between 2016 and 2017. Godhwani declined to comment, and he left his role as chairman of Religare in 2016.

For his part, Dhillon also declined to be interviewed. A statement from J C Sethi, secretary of Radha Soami Satsang Beas, said Dhillon played a role helping the Singhs assert control of their father's businesses following his death, and in guiding them after. But since 2011, ill health, including a battle with cancer, caused the guru to step back to focus on his spiritual duties, he said. "The Master can advise but he cannot make a choice for you," he added.

Representatives for the spiritual group said the Master has no role in its administration or finances.

Earlier this year, Bloomberg News reported that the Singhs had taken Rs 5 billion from Fortis without board approval and that a New York investor had filed a lawsuit accusing the brothers of syphoning Rs 18 billion from Religare.

The Singhs say they didn't do anything illegal. They say Godhwani was in charge of both Religare and RHC at the period in question. The movement of funds at Fortis were part of normal operations at the time, and only later became related-party transactions, according to the brothers.

India's stock market and fraud regulators launched investigations into financial irregularities at both companies, although they are yet to report their findings. Both agencies didn't respond to requests for comment.

The Singhs' rise as businessmen in their own right began in 2008, when they sold Ranbaxy, then India's largest drugmaker, to Japanese pharmaceutical company Daiichi Sankyo Co. The sale occurred just as the US Food and Drug Administration started raising questions about the Indian firm's manufacturing practices and the safety of its drugs, although Ranbaxy denied the allegations at the time.

The brothers went on to use their cash reserves aggressively to build up Fortis and Religare - which would each top \$1 billion in market value as India's demand for health and financial services surged. They took their father's place in Delhi high society among other old business families, becoming patrons of Indian artists and socialising at exclusive clubs.

Then in 2013, Ranbaxy pleaded guilty to criminal felony charges in the US and faced \$500 million in fines. In an arbitration tribunal in Singapore, its new owner, Daiichi Sankyo, accused the Singhs of concealing the extent of its regulatory problems during the sale. The Singhs say they didn't conceal any information.

3. Worst over for PSBs, Q1 performance much better, says DFS secretary

ET Bureau

Financial services secretary Rajiv Kumar said the worst was over for public sector banks and expressed hope that the lenders that were facing the central bank's Prompt Corrective Action (PCA) would come out of that this fiscal year.

"Banks have made a recovery of `36,551 crore during the first quarter, registering 49% growth over the last fiscal," Kumar said. Various measures taken by the government, including the Insolvency and Bankruptcy Code, have yielded good results in terms of reining in bad loans and increasing recovery, he added.

At present, out of 21PSBs, at least eleven are under the Reserve Bank of India's PCA framework, which places restrictions on their lending among other measures. Kumar said the resurgent PSBs would be growth engines and with the clean-up of their balance sheet, the worst was behind.

"Operating profit has risen by 11.5% while losses fell 73.5% on a quarter-on quarter basis," he said, adding asset quality had been addressed through reducing NPA slippage. The provision coverage ratio of banks has reached a healthy level of 63.8%, he added. The financial services secretary said with all these efforts, he was sure of the banks would come out of PCA this fiscal year.

The resolve of the government is extremely clear that every stakeholder has to be responsible," he said, adding that those who were not prudently behaving would have to face the consequences.

4. Bank credit grows 12.7% in the fortnight to August 3: RBI

PTI|

Bank credit grew 12.70 per cent to Rs 86,79,741 crore in the fortnight to August 3, according to the latest RBI data.

In the the year-ago fortnight, bank advances was at Rs 77,01,926 crore.

The increase in advances in the reporting fortnight was higher than the growth registered in the previous fortnight ending July 20 when it had risen by 12.44 per cent to Rs 86,13,164 crore.

In June, the non-food credit rose 11.1 per cent as against 4.8 per cent in the same month last year.

Loans to agriculture and allied activities slowed to 6.5 per cent in June from 7.5 per cent a year ago.

Personal loan segment grew 17.9 per cent in June up from 14.1 per cent in June last year.

Business Line

5. Expect some PSBs to come out of PCA framework this fiscal, says DFS Secy

OUR BUREAU

Asset quality of banks has 'improved transparently' in recent months: Rajiv Kumar

NEW DELHI, AUGUST 16

Asserting that the fundamentals of many public sector banks (PSBs) have improved in recent months, Rajiv Kumar, Secretary, Department of Financial Services (DFS), on Thursday said he expects some of them to come out of the RBI's Prompt Corrective Action (PCA) framework this fiscal.

As on date, as many as 11 out of 21 banks are under the central bank's PCA framework. The PCA framework was issued by the RBI to encourage banks to eschew certain riskier activities, improve operational efficiency, and focus on conserving capital to strengthen the banks.

Kumar was speaking to reporters after inaugurating Canara Bank's digital banking branch Candi in the Capital.

Earlier, during his address at the event, Kumar said that the worst is over for public sector banks, and their asset quality has "improved transparently" in recent months.

Digitisation of banks

"Close to 2.2 lakh shell companies have been closed. No more using such vehicles to hoodwink lenders. Several steps have been taken to clean up the balance sheets of banks in the last three-four years, and to ensure that they evolve into very strong, very clean and responsive customer-friendly banks," he said, adding that digitisation of banks has helped meet this objective.

Kumar highlighted that aggregate losses of PSBs had come down to ₹16,600 crore in the June quarter of this fiscal from ₹62,680 crore in the March quarter. On the other hand, operating profit of PSBs had gone up to ₹36,600 crore in the June quarter from ₹34,000 crore in the March quarter.

"NPAs have been transparently recognised. Provisioning has been done transparently. Operating profits are on the rise. Recapitalisation has been done. Fundamentals of banks are improving," he said.

Kumar also made it clear that the government would not hesitate to take stern action against those involved in any form of misconduct, including wilful loan defaults.

"We are ok with losses; we are not ok with any misconduct. We have ensured that all stakeholders in the system, including auditors and bank top management understand their responsibilities," he said.

Kumar said that credit growth in the banking system was up 12.8 per cent in April-June this fiscal.

Also, provision coverage ratio of banks had reached a healthy level of 63.8 per cent, he said.

Kumar said that already the Insolvency and Bankruptcy Code (IBC) was changing the entire creditor-debtor relationship.

"Today, PSBs losses are because of recognising NPAs upfront, taking the bull by the horns. Now the cleaning up is complete, and the banks are now left with high-quality assets," he said.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)
GENERAL SECRETARY**