



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

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Dear Comrades,

19th December , 2018

News of Interest 19th DEC

MOTIVATIONAL QUOTES

“KEEP YOUR EYES ON THE STARS, AND YOUR FEET ON THE GROUND.”

THEODORE ROOSEVELT

HIGHLIGHTS

1. WITH MERGER COMPLETE, IDFC FIRST BANK COMMENCES BUSINESS ON WEDNESDAY
2. YES BANK RECOMMENDS NAME OF BRAHM DUTT FOR POST OF CHAIRMAN: SOURCES
3. PSU BANK FRAUD: SBI TOPS WITH MOST EMPLOYEES CAUGHT IN THE ACT; NEXT ON THE LIST IS NO SURPRISE
4. SUPREME COURT SEEKS ROLE FOR OPERATIONAL CREDITORS IN IBC PROCEEDINGS
5. TO PREVENT BAD LOANS, BANKS TO CROSS-CHECK INFO ON BORROWERS

Business Standard

1. With merger complete, IDFC First Bank commences business on Wednesday

V Vaidyanathan will be the managing director and chief executive officer of the merged entity

Abhijit Lele

The merger of Capital First, a finance company, with private sector lender IDFC Bank is now complete, following requisite shareholder and regulatory approvals.

The merged entity, to be called IDFC First Bank and headquartered in Mumbai, will commence business from Wednesday. V Vaidyanathan will be the managing director and chief executive officer of the merged entity. Rajiv Lall is part-time non-executive chairman, subject to Reserve Bank of India approval.

The reconstituted board of the merged entity has been expanded, with five new directors. One, Vishal Mahadevia, is a non-executive and non-independent director. The other four new ones are all independent directors -- Brinda Jagirdar, Hemang Raja, Aashish Kamat and Desh Raj Dogra.

On a combined basis, IDFC First Bank has on-book loan assets of Rs 1.02 trillion, according to the reported financial results for the quarter ended September 30. Retail loans (to non-corporate borrowers) are 32.46 per cent of the overall loan book. There would be 7.2 million customers, 203 bank branches, 129 ATMs and 454 rural business correspondent centres.

The merger was announced on January 13 this year. By the terms, shareholders would get 139 shares of IDFC Bank for every 10 of Capital First Ltd. IDFC Bank has approved December 31 as the 'record date' for determining the portfolio of non-convertible debenture holders of Capital First.

Financial Express

2. Yes Bank recommends name of Brahm Dutt for post of Chairman: Sources

By: [PTI](#) | Published: December 18, 2018 4:13 PM

Brahm Dutt, a retired bureaucrat, is currently an independent director on the bank's board, which has eight members.

Yes Bank has recommended the name of its board member Brahm Dutt for the post of Chairman to the RBI, according to sources. The Chairman post fell vacant after the resignation of Ashok Chawla in November following issues related to probity. "The bank has sent the name of Dutt to the Reserve Bank for the Chairman post," a source said Tuesday.

Since Dutt is already a part of the bank and understands various aspects of the system in a better way, it would be good to have him as the chairman, sources said. The bank's spokesperson could not be reached for comments. Dutt, a retired bureaucrat, is currently an independent director on the bank's board, which has eight members.

The other board members are MD&CEO Rana Kapoor, Lt General Mukesh Sabharwal, Subhash Kalia, Ajai Kumar, Pratima Sheorey, Uttam Agarwal and TS Vijayan. Vijayan — former LIC and Irdai chief — was inducted into the board only recently along with Agarwal who is a chartered accountant with expertise in taxation, finance and restructuring.

Besides, the bank has to recommend name/s for MD&CEO post to the RBI as Kapoor has been denied extension post January 31, 2019 by the the central

bank. As per sources, RBI has flagged issues related to corporate governance as well as under-reporting of bad loans.

3. PSU bank fraud: SBI tops with most employees caught in the act; next on the list is no surprise

By: [Krishnanand Tripathi](#) | Published: December 17, 2018 5:34 PM

In last three years (2015-2017), action has been initiated against 1,287 officials of State Bank of India for their involvement in fraud.

While the action was initiated against 5,785 officials in 2015 for their involvement in fraud, the figure for 2016 and 2017 was 4,360 and 3,804 officials.

India's largest bank State Bank of India has topped the list of PSU banks with maximum number of actions taken against officials involved in fraud in the last three years. All these actions pertain to frauds involving a sum of one lakh rupees or more.

In last three years (2015-2017), action has been initiated against 1,287 officials of State Bank of India for their involvement in fraud. This is over 9% of the total cases involving bank staff in public and private sector banks, Shiv Pratap Shukla, minister of state in the ministry of finance, informed the Rajya Sabha in his written reply.

Punjab National Bank figures at the second position in the list with 1,127 officials or 8% of the total 13,949 officials allegedly involved in fraud. Manipal based Syndicate Bank figures at the third position in the list with action taken against 894 officials of the bank.

While SBI has been fighting court cases against high profile accused and liquor baron Vijay Mallya to recover the loans given to Mallya's now-defunct airlines Kingfisher, several top officials of Punjab National Bank have been accused of helping diamond baron Nirav Modi and his uncle Mehul Choksi in securing loans through fraudulent means.

Sudhir Kumar Jain, the then chairman and managing director of Syndicate Bank was arrested by the Central Bureau of Investigation in August 2014, for his involvement in 'bribe-for-loan scam', involving Prakash Industries and Bhushan Steel which were probed by the anti-corruption agency in the coal block allocation scam.

Central Bank of India figures at the fourth position in the list with action taken against 728 of its officials followed by the Bank of Baroda with action taken against 674 of its officials.

During this period, action has also been initiated against 618 officials of Canara Bank, 555 officials of UCO Bank and 515 officials of Corporation Bank.

Economic Times

4. Supreme Court seeks role for operational creditors in IBC proceedings

By *Samanwaya Rautray*

The Supreme Court on Monday suggested that operational creditors of bankrupt companies be given a voice in the resolution proceedings in proportion to their debt, including voting rights.

In some cases, even the operational creditors' debt is huge but at present they don't have a say in the resolution process, a two-judge bench led by Justice RF Nariman said. The bench is expected to resume hearing of the case next month, when the court will reconvene after the winter recess.

Such creditors have to be given some voice in proportion to their debt and also be given voting rights, Justice Nariman suggested. Think about this and get back, he told attorney general KK Venugopal, who defended the Insolvency and Bankruptcy Code (IBC) in its current form vehemently and urged the court not to dilute it in any way.

Currently, operational creditors such as suppliers of products and services to bankrupt companies are not included on the committees of creditors (CoCs), which comprise financial creditors like banks. They have no voting rights when a CoC decides on what to do with an asset. The bench is hearing a slew of petitions challenging several provisions of the IBC as arbitrary and discriminatory.

While some have argued on the need to keep all promoter creditors of defaulted companies out of the resolution process, others stressed that without their involvement, creditors would fail to recover the true value of assets. Some have also sought a provision for debtors to be heard even when an insolvency proceeding has been initiated by the financial creditor.

Among those who have argued in the case was senior advocate KV Vishwanathan on behalf of Sanjay Singhal of Bhushan Power & Steel. He was assisted by lawyer Vrinda Bhandari. In his opening arguments for the government, the AG defended the IBC as a key piece of economic legislation which has aided recovery of loans for banks. He cited several figures to claim that the IBC process was robust.

"There have been signs of recovery after the introduction of the IBC over previous years. Credit realised by banks have risen. Bank growth has accelerated to touch double digits," he said.

Business Line

5. To prevent bad loans, banks to cross-check info on borrowers

K RAM KUMAR

To approach I-T and GST departments to check veracity of information submitted

Banks are likely to soon seek authorisation from borrowers and guarantors so that they can approach authorities such as Income Tax (I-T) and Goods and Services Tax (GST) departments to cross-check the veracity of information submitted for getting loans.

The proposed move is aimed at strengthening the loan-sanction mechanism in the backdrop of the pile-up of bad loans between FY16 and FY18, and rising frauds in the banking system.

Bankers say the authorisation by way of consent is required from borrowers and guarantors as banks are seeking financial (personal) information about

them from the authorities. Without such authorisation, the authorities will not share information, said a senior public sector bank official.

The authorisation will help banks access granular information on the taxes borrowers and their guarantors have paid, whether they have tax arrears, and their net worth.

If the financial information submitted by borrowers and guarantors varies with what banks find in the I-T and GST databases, the loan proposal will be rejected, thereby preventing potential bad loan or fraud.

Banks are believed to be working on a standardised format for seeking authorisation from borrowers and guarantors on accessing information from various authorities.

Access to I-T, GST and Ministry of Corporate Affairs databases, coupled with tapping credit information bureaus and Central Repository of Information on Large Credits, will help bankers evaluate loan proposals better.

Stress and frauds

As per data compiled by credit rating agency ICRA, GNPA's rose to 14.1 per cent of gross advances for public sector banks as of end-September 2018, against 12.6 per cent as of end-September 2017. However, the GNPA ratio in the September 2018 quarter was lower than the preceding quarter's 14.6 per cent

GNPA's were flat at 4.4 per cent in the case of private sector banks. GNPA's of these banks in the September 2018 quarter were lower than the 4.6 per cent of the preceding quarter.

For all banks, GNPA's rose to 11 per cent of gross advances as of September-end 2018, against 10.3 per cent as of September-end 2017. GNPA's for all banks in the September 2018 quarter were lower than the 11.5 per cent of the preceding quarter.

The rating agency estimated that GNPA's of all banks aggregated ₹9,98,200 crore as of end-September 2018, against ₹8,40,400 crore as of end-September 2017.

According to RBI data, banks reported 5,879 cases of frauds (of ₹1 lakh and above) aggregating ₹32,048.65 crore in 2017-18.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)
GENERAL SECRETARY**