



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)
163/4, Kutcheri 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,

10 th July , 2018

News of Interest 10th JUL

MOTIVATIONAL QUOTES

'PEOPLE ONLY SEE WHAT THEY ARE PREPARED TO SEE. '

RALPH WALDO EMERSON

HIGHLIGHTS

1. **RBI RAISES CENTRE'S WMA ADVANCES TO RS 700 BN FOR JULY-SEPTEMBER QUARTER**
2. **BANKS CLOCK 85% OF ANNUAL CREDIT TARGET OF RS 600 BN IN ODISHA**
3. **HDFC BANK'S LOAN ADVANCES IN Q1 ARE THREE TIMES MORE THAN MODI'S PSU BANK RECAP BUDGET; FIND OUT MORE**
4. **FEARING PROBE, BEST BANKERS AVOIDING CREDIT DEPT: PANEL**
5. **SBI ORDERS RECOVERY OF OVERTIME PAY FROM STAFF OF ASSOCIATE BANKS**

Business Standard

1. **RBI raises Centre's WMA advances to Rs 700 bn for July-September quarter**

'WMA' are temporary advances given by the RBI to government to tide over any mismatch in receipts and payments

Press Trust of India

The Reserve Bank has set the 'ways and means advances' (WMA) limit at Rs 700 bn for the central government for the July-September quarter, up from Rs 600 bn in the previous quarter.

'WMA' are temporary advances given by the RBI to government to tide over any mismatch in receipts and payments.

"It has been decided, in consultation with the Government of India, that the limits for Ways and Means Advances (WMA) for the second quarter of the financial year 2018-19 (July 2018 to September 2018) will be Rs 700 bn," the RBI said in a statement.

It further said that the central bank may trigger fresh floatation of market loans when the government utilises 75 per cent of the WMA limit.

The RBI retains the flexibility to revise the limit at any time, in consultation with the government, taking into consideration the prevailing circumstances.

The interest rate on WMA will be same as that of the prevailing repo rate (benchmark short-term lending rate).

2. Banks clock 85% of annual credit target of Rs 600 bn in Odisha

Achievement for farm sector is 72.62% of the credit target of Rs 312.08 bn; state surpasses MSME lending target

Nirmalya Behera

Banks having operations in Odisha have clocked 85.67 per cent of the annual credit plan of Rs 600 billion fixed for 2017-18 under the priority sector.

The credit disbursement made by the banks under major segments of priority sector is Rs 514 billion.

According to latest data collated by the State Level Bankers' Committee (SLBC), the achievement for the agriculture sector is Rs 226.64 billion which is only 72.62 per cent of the credit target of Rs 312.08 billion fixed for the last fiscal year. It includes farm credit of Rs 201.11 billion and the balance advanced is for agriculture infrastructure and ancillary activities.

For advances to MSMEs, banks have surpassed the targets assigned to them. The credit to micro and small enterprises is calculated at Rs 203.08 billion against the target of Rs 154.24 billion.

The export target credit has also surpassed the target of Rs 4.2 billion, achieving a growth of 785 per cent.

The advances to education sector are abysmally low with meagre 34.55 per cent achievement of Rs 10.94 billion earmarked for 2017-18.

Against the allocation of Rs 48 billion credit for the housing sector, the credit off take is Rs 28.93 billion at the end of fiscal year.

As on September end, lending to other priority sector stood at 27.35 per cent of Rs 67.45 billion target.

Public sector banks have achieved 79.25 per cent of the credit target of Rs 371.74 billion. The private banks have fared better than their public sector counterparts with an achievement of 107.13. Private banks were given a target of Rs 62.66 billion and have disbursed 67.13 billion by the end of financial year

The Regional Rural Banks and Co-operative banks have clocked 101.69 per cent and 89.03 per cent of the target of Rs 38.23 billion and Rs 127.36 billion respectively.

The total outlay for credit requirement projections is an aggregation of the Potential Linked Credit Plans for 2017-18 prepared by the National Bank for Agriculture and Rural Development (Nabard) for all districts of the state.

For the financial year 2018-19, the target under annual credit plan is fixed at 714.20 billion which is distributed among the banks proportionate to their deposit base of in the respective districts at the end of the December 2017.

Financial Express

3. HDFC Bank's loan advances in Q1 are three times more than Modi's PSU bank recap budget; find out more

HDFC Bank's loan advances are up nearly Rs 7.09 lakh crore as of June 30 this year compared to Rs 5.8 lakh crore in the corresponding period last year and Rs 6.5 lakh crore as of March 2018

By: [FE Online](#) |

HDFC Bank's loan advances are up nearly Rs 7.09 lakh crore as of June 30 this year compared to Rs 5.8 lakh crore in the corresponding period last year and Rs 6.5 lakh crore as of March 2018, Bank said in the filing. It is more than three times of Rs 2.11 lakh crore what the government last year had announced for bank recapitalisation plan of state-owned lenders weighed down by bad loans. The deposits aggregated nearly Rs 8.6 billion at June end. "The Bank's deposits aggregated approximately Rs 8.06 lakh crore as of June 30, 2018 as compared to Rs 6.7 lakh crore as of June 30, 2017 and Rs 7.8 lakh crore as of March 31, 2018," the Bank said. The Bank's CASA ratio stood at around 41 percent in comparison to 44 percent as of June 30, 2017 and 43.5 percent as of March 31, 2018, the filing said.

During the quarter ended June this year, HDFC Bank purchased loans aggregating Rs 9700 crore with Housing Development Finance Corporation (HDFC) Limited. The loans were purchased through the direct assignment route under the home loan arrangement with HDFC Limited.

Meanwhile, as majority of the banking system players, including its private sector peers fight the scourge of bad loans and frauds, HDFC Bank said it is looking at expanding its market share. "Of course, we will get some benefit if the rest are focused on other issues other than growth. We do expect to grow well," managing director and chief executive Aditya Puri told reporters last month. The veteran banker further said typically, his bank's growth plans are not dependent on competition. Puri termed the ongoing troubles in the system as a period of transition, and that there is nothing to worry at the systemic level as most of the lenders are either well-capitalised or have the assurance of government support.

He also supported the changes in the NPA asset recognition norms, saying it coupled with the bankruptcy laws, has changed the way borrowers think. Puri said the bank will be starting a Rs 24,000 crore capital raising process "very soon" and exuded confidence of it sailing through on its key strengths—good capital buffers, and one of the best earnings ratios in the world.

Economic Times

4. Fearing probe, best bankers avoiding credit dept: Panel

By *Sidhartha*

New Delhi: A committee of bankers on resolution of stressed assets has said that the fear of investigation has resulted in the best people in the banks preferring to avoid credit roles, while calling for a revamp of governance and credit structures in state-run lenders.

Members of the panel headed by Sunil Mehta, however, said that the idea of the comment was not meant in a negative sense as banks now needed to rebuild and move on. While Bank of Maharashtra MD Ravindra Marathe's arrest in an alleged cheating case galvanised lenders to publicly air their concerns, in private, they have been complaining about decision-making getting affected ever since former IDBI Bank chairman and MD Yogesh Aggarwal and the bank's ex-deputy MD S K Batra were arrested in the Kingfisher case.

The government, however, is firm in its view that it will not intervene in actions taken by investigating agencies such as the CBI, and any charges of wrongdoing need to be acted against, officials told TOI. The actions have increased since Nirav Modi and Mehul Choksi fled the country after allegedly defrauding PNB.

The observation by the committee came along with recommendations that focus on strengthening risk management practices and hiring specialists to deal with the fresh set of challenges that public sector banks (PSBs) — which are still modelled on the economic realities of the 1970s and 1980s — are facing.

"Across banks, the number and skills of people in the credit area are lacking. Frequent transfers, lack of appropriate training adds to the challenge," the Mehta committee said. It blamed the economic slowdown, delays in project approvals, aggressive lending practices during upturn, laxity in credit-risk appraisal and loan monitoring in banks, lack of appraising skills and wilful defaults & frauds for NPAs reaching Rs 10.6 lakh crore.

It has suggested an overhaul of the way PSBs are structured and recommended that the government should appoint a strong and independent board, comprising individuals with deep experience in credit. Further it wants key board positions to remain stable over time so that executives are able to understand the bank's credit philosophy and build experience.

Government officials said that several of the steps have already been initiated and some of the candidates shortlisted for appointment as managing directors by the Banks Board Bureau (BBB) will have a tenure of four-five years.

Business Line

5. SBI orders recovery of overtime pay from staff of associate banks

SHISHIR SINHA

Says money for extra work during note-ban window only for its employees

State Bank of India has instructed its various zones to recover the 'compensation' given to officers of its erstwhile associate banks for over-time work during the demonetisation days in late 2016.

According to the SBI communication, seen by *BusinessLine*, the compensation was meant for those working in SBI's branches, and related to the period when the five associate banks functioned on their own.

Over 70,000 officers and employees became part of the SBI when its associate banks — State Bank of Patiala, State Bank of Hyderabad, State Bank of Mysore, State Bank of Travancore and State Bank of Bikaner & Jaipur — merged with the parent on April 1, 2017.

"The claim related to the period prior to the merger of e-Abs (erstwhile Associate Banks) should have been dealt by e-Abs at the material time and we have no record of any commitment to pay the same," the communication said, adding that instruction issued earlier this year for payment of compensation was only in respect of those who worked in SBI's branches.

SBI did not respond to queries from *BusinessLine*.

Some of these employees were paid compensation for working beyond 7 pm during the demonetisation period between November 14 and December 30, 2016. The compensation was different for each circle: For officers it could be as much as ₹30,000, and for clerical and other staff ₹17,000. The amount was paid as 'Out of Pocket expense' between March and May.

The communication, to the Deputy General Manager in-charge of office administration, asked the officer to review the position and "examine under what circumstances approval was given for the payment of compensation to the officers of e-ABs". It also asked to arrange to "recover where wrong payments have been made." It made it clear that "if it warrants, appropriate action may be initiated against the erring official."

Unions unhappy

Bank unions expressed unhappiness over the move, saying the amounts were paid after almost a year, and after repeated requests to the Indian Banks Association. Recovery of the amount was grossly unjust, they said.

Said one employee: "Normally, a merger means taking over the assets and liability. Now, if there is any liability towards staff on account of working beyond service hours, how can the parent SBI deny that?"

Another officer said: "Why is the management creating a rift among staff? We feel demoralised."

With kind regards,

Yours Comradely,


(N. GOVINDRAJULU)
GENERAL SECRETARY