



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

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Dear Comrades,

18 th July , 2018

News of Interest 18th JUL

MOTIVATIONAL QUOTES

'NEVER BEND YOUR HEAD. ALWAYS HOLD IT HIGH. LOOK THE WORLD STRAIGHT IN THE EYE.' HELEN KELLER

HIGHLIGHTS

1. GOVT TO PUMP RS 113 BN INTO 5 PSBS TO MEET REGULATORY CAPITAL REQUIREMENTS
2. NPA CRISIS: ICICI AUDIT COMMITTEE HIRES LAW FIRM TO PROBE INTO 31 ACCOUNTS
3. RBI YET TO CLARIFY ROLE OF CDR CELL ON DEBT RECAST
4. RBI APPROVES APPOINTMENT OF GIRISH CHANDRA CHATURVEDI AS ICICI BANK NON-EXEC CHAIRMAN
5. FEDERAL BANK NET PROFIT CLIMBS 25% TO RS 262.71 CRORE
6. CANARA BANK LAUNCHES RUPAY CREDIT CARD

Business Standard

1. Govt to pump Rs 113 bn into 5 PSBs to meet regulatory capital requirements

The capital infusion will be a part of the Rs 2.11-trillion recapitalisation plan for public sector banks announced by the government last year

Somesh Jha

The government has decided to infuse Rs 113 billion into five public sector banks, including Punjab National Bank, to help them meet regulatory capital requirements, sources said.

The capital infusion will be a part of the Rs 2.11-trillion recapitalisation plan for public sector banks announced by the government last year. It is a result

of the banks' inability to fund the interest payment to bond holders of Additional Tier 1 (AT-1) bonds, according to sources.

AT-1 bonds are perpetual in nature and therefore provide higher interest rates to investors. A high-level of bad loans and widening losses have made it difficult for banks to service these bonds from their own earnings.

As a result, public sector banks were facing the risk of breaching the regulatory capital requirement, sources said.

government would likely infuse Rs 28.2 billion into Punjab National Bank, Rs 25.5 billion into Corporation Bank, Rs 21.6 billion into Indian Overseas Bank, Rs 20.2 billion into Andhra Bank and Rs 18 billion into Allahabad Bank, an official said.

The government will issue recapitalisation bonds to infuse capital into these lenders and have sought regulatory approvals, sources said.

The infusion would be part of the remaining Rs 650 billion out of the Rs 2.11-trillion capital infusion over two financial years.

The government had announced a Rs 2.11-trillion capital infusion programme in October last year. According to the plan, public sector banks were to get Rs 1.35 trillion through re-capitalisation bonds, and the balance Rs 580 billion through fund raising from the market.

Out of the Rs 1.35 trillion, the government has already infused around Rs 710 billion through recap bonds, and balance would be done during the current financial year.

2. NPA crisis: ICICI audit committee hires law firm to probe into 31 accounts

The audit committee of the board of directors of the bank has three members chaired by Uday Chitale, Dileep Choksi and Radhakrishnan Nair

Press Trust of India

The independent audit committee investigating the alleged irregularities in 31 NPA accounts of ICICI Bank has hired a law firm to assist the panel, an official said on Tuesday.

"An independent law firm has been appointed by the audit committee looking into the matter," said a bank official on the condition of anonymity.

He said however that as the audit committee comprises the bank's independent directors, the bank is not aware of the name of the law firm hired in this matter that is under investigation.

As per reports, law firm Panag & Babu has been roped in by the audit committee. However, when contacted, the firm's spokesperson declined to comment.

ICICI Bank said in June that it had received an anonymous complaint which alleged irregularities with respect to 31 borrower accounts, leading to incorrect asset classification.

The audit committee of the board of directors of the bank has three members chaired by Uday Chitale, Dileep Choksi (alternate chairperson) and Radhakrishnan Nair.

"Further actions in this matter are being/will be taken as directed by the Audit Committee," the bank had said in a stock exchange filing of June.

All the 31 accounts were classified as non-performing between the year ended March 31, 2012 and the year ended March 31, 2017.

The aggregate loans outstanding at March 31, 2018 were Rs 60 billion (USD 898 million), about 1.1 per cent of gross loans.

Separately, ICICI Bank's CEO and MD Chanda Kochhar is facing an independent enquiry in connections with loan given to Videocon Group and

has gone for leave pending the probe completion.

Financial Express

3. RBI yet to clarify role of CDR cell on debt recast

The corporate debt restructuring (CDR) cell has sent another request to the Reserve Bank of India (RBI) seeking clarity on its role following the central bank's February 12 circular, sources told FE

By: [FE Bureau](#)

The corporate debt restructuring (CDR) cell has sent another request to the Reserve Bank of India (RBI) seeking clarity on its role following the central bank's February 12 circular, sources told FE.

"The cell had written to RBI a couple of months ago and since it has not replied, we have sent another request," an official said. The central bank had withdrawn all restructuring schemes through its February 12 circular.

In May, FE had reported that the cell wrote to RBI seeking clarity on its new areas of work after the circular, but the central bank has not yet responded. One of the primary concerns raised by the cell in its conversations with the regulator is around the status of the companies which have undergone successful CDR restructuring but have not yet exited the cell.

The CDR cell's website is also not available at the moment.

Since inception in 2001, the cell has approved loans worth Rs 4 lakh crore. In FY17, lenders had referred just one loan —Gangakhed Sugar & Energy worth Rs 350 crore — to the cell in January, taking the total referral since inception to Rs 4.74 lakh crore. Prior to that, banks had last referred a loan in March 2015, following which restructuring rules changed, and banks have since stayed away from the CDR cell.

Latest available data showed that the cell had Rs 1.48 lakh crore of live cases —companies whose debt have been recast but are yet to exit the cell — as on August 30, 2017. In the same period, loans worth Rs 1.69 lakh crore have failed at the cell.

Economic Times

4. RBI approves appointment of Girish Chandra Chaturvedi as ICICI Bank non-exec chairman

PTI|

ICICI Bank today said RBI has approved the appointment of Girish Chandra Chaturvedi as non-executive (part time) Chairman of the bank till June 30, 2021.

The private lender had appointed the former petroleum secretary as the company's non-executive chairman on June 29.

"We wish to inform you that RBI ..has approved the appointment of Girish Chandra Chaturvedi as Non-executive (part time) Chairman of the bank effective today till June 30, 2021," ICICI Bank said in a regulatory filing.

ICICI Bank is under the scanner of various regulatory agencies for alleged conflict of interest involving its CEO Chanda Kochhar and her family members in extending loans to some corporates, including the Videocon Group.

Last month, ICICI Bank announced that Kochhar has decided to go on leave till the completion of an external enquiry into the matter.

Business Line

5. Federal Bank net profit climbs 25% to Rs 262.71 crore

PTI

Federal Bank has registered a 25 per cent increase in its net profit at Rs 262.71 crore in the first quarter of the current fiscal despite rise in bad loans. Net profit in the corresponding three months to June in 2017-18 stood at Rs 210.15 crore.

According to a regulatory filing, total income increased to Rs 2,938.24 crore during the quarter from Rs 2,653.19 crore in the year-ago period. Interest income rose to Rs 2,667.38 crore from Rs 2,324.09 crore.

During the quarter, the asset quality deteriorated with gross non-performing assets (NPAs) rising to 3.42 per cent from 2.42 per cent as on June 30, 2017.

Likewise, net NPAs also increased to 1.72 per cent (1.39 per cent). However, provisioning for bad loans and contingencies declined to Rs 199.15 crore in April-June quarter from Rs 236.44 crore a year ago.

"The bank has made a provision for NPAs as stipulated under RBI norms. Further, provision for standard assets, including requirements for exposures to entities with un hedged foreign currency exposures and provision for restructured advances has been made as per RBI guidelines," it said.

6. Canara Bank launches RuPay credit card

OUR BUREAU

Canara Bank has launched Canara RuPay Credit Card. Launching the card, Rakesh Sharma, Managing Director and Chief Executive Officer, Canara Bank, said: "Launch of Canara RuPay Credit Card is also part of strategy to expand our technology channels."

Sharma launched the Canara RuPay Credit Card in the presence of P V Bharathi, Matam Venkata Rao and Debashish Mukherjee, all executive directors of the bank.

He said that the new card variant, issued in association with the National Payment Corporation of India, will provide the best features of a credit card.

According to him, Canara RuPay Credit Card will be accepted at all RuPay enabled three million plus point of sale terminals and 80,000 plus e-commerce merchants in India.

The card is efficiently designed to provide 20-50 days interest free repayment period. It comes with a complimentary insurance cover of up to Rs 1 lakh in case of loss of life.

It is also loaded with attractive rewards points programme for every non-cash withdrawal transaction and exclusive merchant offers across various categories – Travel, Wellness, Dining, Hotels and E-commerce.

Canara Bank currently has Mobile Wallet, Easy Cash and P-Serve as technology products.

With kind regards,

Yours Comradely,



(N. GOVINDRAJULU)
GENERAL SECRETARY