



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

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Dear Comrades,

15th November, 2018

News of Interest 15th NOV

MOTIVATIONAL QUOTES

'YOUR POSITIVE ACTION COMBINED WITH POSITIVE THINKING RESULTS IN
SUCCESS.'

SHIV KHERA

HIGHLIGHTS

1. ASHOK CHAWLA QUILTS AS NON-EXECUTIVE CHAIRMAN OF YES BANK;
REPLACEMENT SOON
2. DEMONETISATION: 80,000 BEING CHASED BY I-T FOR LARGE CASH DEPOSITS
3. RBI SLAPS THESE TWO BANKS WITH RS 3 CRORE FINE EACH OVER ANTI-MONEY
LAUNDERING NORMS
4. RBI REFUSES TO GIVE INFO ON NPAS, LOAN DEFAULTERS TO SEBI
5. RBI, GOVT TRYING TO REACH COMMON GROUND ON SOME KEY ISSUES

Business Standard

1. Ashok Chawla quits as non-executive chairman of YES Bank; replacement soon

Ashok Chawla's resignation is effective from November 14, 2018, the company said

[Press Trust of India](#)

Private lender Yes Bank said Wednesday its non-executive Chairman Ashok Chawla has resigned.

The bank also said that Independent Director Vasant Gujarathi too has quit citing personal commitments.

"Yes Bank announces that Shri Ashok Chawla, Non-Executive Independent Part-Time Chairman, has tendered his resignation from the Bank's Board,

with immediate effect, mentioning that during the current transition period, the Bank would need a Chairman who could devote more time and attention," the bank said in a regulatory filing.

The bank further said it would announce the appointment of a new chairman in "due course" post-RBI's approval.

Chawla, former finance secretary, has also worked as chairman of the Competition Commission of India.

The bank's board has also approved the appointment of Uttam Prakash Agarwal as an additional director (Independent) for a period of five years.

The Reserve Bank has already asked the private sector bank to find a replacement of founder MD and CEO by January 31.

Last month, Yes Bank had said the panel looking for a successor to MD and CEO Rana Kapoor has the finalised potential candidate profile.

Financial Express

2. Demonetisation: 80,000 being chased by I-T for large cash deposits

By: [FE Bureau](#) | Published: November 15, 2018 3:06 AM

The income-tax department (I-T) is 'chasing' 80,000 persons who had deposited cash during demonetisation period which didn't match their income profile, chairman of central board of direct taxes (CBDT) Sushil Chandra said on Wednesday.

The income-tax department (I-T) is 'chasing' 80,000 persons who had deposited cash during demonetisation period which didn't match their income profile, chairman of central board of direct taxes (CBDT) Sushil Chandra said on Wednesday. He also said that the government would exceed the direct tax collection target of Rs 11.5 lakh crore for the current fiscal.

During the demonetisation (November 8-December 30, 2016), more than 23 lakh people were identified to have deposited suspiciously large sum of cash in bank account. Subsequently, they were sent messages to explain the source of cash. Chandra said that a large number of such persons filed returns following I-T department's queries.

However, nearly 3 lakh individuals failed to file returns even after initial communication. The I-T department then issued statutory notices to them, which resulted in 2.15 lakh persons filing returns.

"For the 80,000 cases, returns have not been filed; the department is chasing them and the assessment would have to be framed," Chandra said.

In August, replying to a question on status of I-T department action on persons identified during demonetisation, the government had said that 2.1 lakh non-filers were identified among PAN holders and that these people subsequently paid self-assessment tax of `6,410 crore. Additionally, Chandra said that the direct tax base currently stood at 7.42 crore taxpayers, which include those who filed IT returns and those who paid taxes through deduction at source but didn't file returns. So far, 6.02 crore IT return have been filed, which is 54% more than during the same period last year.

"We have also identified 80 lakh persons who had filed returns in the last three years but have not filed returns so far. We are communicating with those persons that you had filed IT returns in earlier years which was more than the threshold limit so you should again file," Chandra said. He was speaking after inaugurating the CBDT pavillion at the India International Trade Fair.

The government would cross budget target of Rs 11.5 lakh crore as the second quarter saw very good advance tax collection due to improved corporate performance, the CBDT chief said. "This year, we have fast-tracked refunds to taxpayers filing returns. Refunds have been disbursed to 2.15 crore assessee amounting to `1.15 lakh crore, and with this most of refunds have been disbursed," he said.

3. RBI slaps these two banks with Rs 3 crore fine each over anti-money laundering norms

By: [FE Online](#) | Updated: November 14, 2018 6:39 PM

The Reserve Bank of India (RBI) has slapped monetary penalty of Rs 3 crore each on two banks for non-compliance with the directions issued by the central bank on Income Recognition and Asset Classification (IRAC) norms, Know Your Customer or Anti-money Laundering (KYC/AML) norms.

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The RBI has imposed a fine of Rs 3 crore on Jammu and Kashmir Bank while a fine of Rs 3.01 crore has been imposed on Deutsche Bank AG. J&K Bank has been fined for non-compliance with the directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms and Know Your Customer/Antimoney Laundering (KYC/AML) norms, the RBI statement said.

While the Deutsche Bank has been fined additionally for non-compliance on disclosure of monetary penalties imposed by the regulator.

Economic Times

4. RBI refuses to give info on NPAs, loan defaulters to Sebi

By [Pavan Burugula](#) , ET Bureau

The Reserve Bank of India (RBI) has declined to pass on information about non-performing assets (NPAs) and loan defaulters that the Securities and Exchange Board of India (Sebi) has asked for in the past year, according to two people with knowledge of the development.

The banking regulator's reluctance to do so stems from the prospect of the data leaking as it becomes known to a wider set of people, hurting the business prospects of the companies involved, they said. Sebi has sent at least two official requests to RBI seeking such details as evidence for ongoing investigations in the past year.

These include a disclosure lapse by a highly indebted company, a corporate governance violation at a leading private bank and a front running case in another private bank. The development comes as the Central Information Commission (CIC) has sent a show-cause notice to the RBI governor for not

providing a list of big defaulters despite the Supreme Court's instructions. RBI and Sebi didn't respond to queries.

'Smooth Exchange of Info'

In one of the Sebi cases, a company allegedly didn't disclose that it had defaulted on a loan repayment. In another, there may have been front running by some brokers before NPA numbers of a private lender were announced. In this case, it is suspected that some bank insiders had shared the information with the brokers. The two regulators normally share a wide range of information since their jurisdictions overlap in several areas such as the debt market, foreign portfolio Investors (FPIs) and oversight of listed banks.

"The information exchange works smoothly and Sebi gets data within two weeks of sending a request to RBI," said one of the two people cited above. "However, these particular requests of Sebi were turned down by RBI due to the sensitive nature of the data." RBI is learnt to have told Sebi that the data, if shared, could potentially impact the business of several companies that feature in the list.

All the data Sebi gets from other regulators is documented and filed along with investigation reports pertaining to cases. At subsequent stages, Sebi is obliged to share the evidence with the accused, increasing the chances of the information leaking. "A potential NPA or a loan becoming NPA might not always mean the end of business for the defaulting company," said the second person cited above. "Hence, disclosing the data could potentially affect the ability of the company to carry out regular business."

NPAs are considered unpublished price sensitive information (UPSI) in cases pertaining to insider trading and front running. Further, if the indebted company is listed, it has the responsibility to disclose this to the stock exchanges. In the past two years, several banks have seen sharp stock movements ahead of earnings announcements amid heavy speculation on NPA numbers. The market regulator is already probing the leak of such numbers through social media platforms.

The outcome of the ongoing tussle between the RBI and the CIC could decide the fate of Sebi's requests, said one of the people cited above. In 2015, the Supreme Court asked RBI to comply with an order passed by CIC asking the regulator to disclose the loan default data. "If CIC gets a positive verdict in the matter, RBI will be forced to share the data with Sebi as well. If the case goes in favour of RBI, Sebi will have to look for other supporting evidences," the person said.

The development reflects the absence of a common information exchange platform for Indian regulators. Currently, information is given — and sometimes not, as in this instance — if it's asked for and the process sometimes take several months, delaying regulatory action. The issue has been raised at several forums and the central government is said to be exploring the establishment of such a platform.

Business Line

5. RBI, govt trying to reach common ground on some key issues

PTI

The government and Reserve Bank seem to be veering around to reach an agreeable solution particularly with respect of relaxation of the Prompt Corrective Action (PCA) framework and easing of lending norms for the MSME sector ahead of the RBI board meeting on November 19, sources said.

If not in this board meeting, sources said, the issue of relaxation of PCA framework which the finance ministry has been pitching for would be reached in the next few weeks.

As a result of relaxation, some banks may come out of the PCA framework by the end of the current fiscal. Of the 21 state-owned banks, 11 are under the PCA framework. These are Allahabad Bank, United Bank of India, Corporation Bank, IDBI Bank, UCO Bank, Bank of India, Central Bank of India, Indian Overseas Bank, Oriental Bank of Commerce, Dena Bank and Bank of Maharashtra.

The PCA framework kicks in when banks breach any of the three key regulatory trigger points namely capital to risk weighted assets ratio, Net non-performing assets (NPA) and return on assets (RoA).

The RBI is also likely to agree to easing of lending norms for the MSME sector including strict rating criteria to improve credit flow to this sector, sources said. Besides, the central bank is expected to consider special dispensation for micro, small and medium enterprises (MSME) sector and non-banking financial companies (NBFCs) which have been facing liquidity issues.

The government feels that the MSME sector which employs about 12 crore people plays a critical role in the economy, and the sector hit by demonetisation and implementation of Goods and Services Tax (GST) needs support. However, the central bank has been averse to government demand for special dispensations for MSME and NBFC sectors as it consider them vulnerable.

Last week, Finance Minister Arun Jaitley said there is a need to minimise NPAs in order to maintain the strength of the banking system and enable it to help the economy grow. It is only a strong banking system that will be able to improve credit in those sectors which really need credit, the Finance Minister had said, adding, "The MSME sector needs credit, several other players in the market need credit. NBFCs today need credit because a large part of lending is done by them," he said.

There are reports of growing tensions between the RBI and the government, with the Finance Ministry initiating discussion under the never-used-before Section 7 of the RBI Act which empowers the government to issue directions to the RBI Governor. RBI Deputy Governor Viral Acharya had in a speech last month talked about the independence of the central bank, arguing that any compromise could be "potentially catastrophic" for the economy.

With kind regards,

Yours Comradely,



(**N. GOVINDRAJULU**)
GENERAL SECRETARY