



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,

4th September , 2018

News of Interest 4th SEP

MOTIVATIONAL QUOTES

'IF YOU REALIZED HOW POWERFUL YOUR THOUGHTS ARE, YOU WOULD NEVER THINK A NEGATIVE THOUGHT. ' PEACE PILGRIM

HIGHLIGHTS

1. RBI EMPLOYEES' 2-DAY MASS LEAVE DEFERRED, BANKS TO REMAIN OPEN ON SEPT 4, 5
2. NPAS WORTH OVER RS 4 TRILLION TO BE RESOLVED BY 2018 END: INDIA RATINGS
3. BANKS WITH OVER 10 BRANCHES TO HAVE OMBUDSMAN: RBI
4. HOME CREDIT CAMPAIGN FOCUSES ON EASY LOANS
5. RBI WORKING ON MEASURES TO FURTHER BEEF UP CYBER SECURITY IN FY19

Business Standard

1. RBI employees' 2-day mass leave deferred, banks to remain open on Sept 4, 5

The mass casual leave programme was likely to have paralysed operations of the central bank and other major lenders across the country

Press Trust of India

The two-day mass casual leave on September 4 and 5 called by the United Forum of Reserve Bank Officers and Employees (UFRBOE) has been deferred after discussion with the bank management, the union said Monday.

"Consequent to series of meetings between top management of Reserve Bank of India with unions, the forum has decided to defer the programme of mass casual leave scheduled on September 4 and 5 to first week of January, 2019 in response to the bank's request to give some more time to resolve the demands," a UFRBOE statement said.

The mass casual leave programme was likely to have paralysed operations of the central bank and other major lenders across the country.

UFRBOE had called the mass casual leave on September 4 and 5 demanding an option for contributory provident fund (CPF) retainers to switch over to the pension scheme, and grant of the additional provident fund (APF) to those recruited in the bank from 2012.

The forum had threatened that if the issue lingers then they would resort to flash strike for two days.

2. NPAs worth over Rs 4 trillion to be resolved by 2018 end: India Ratings

This is about 45 per cent of bad loans worth Rs 10.2 trillion standing in the books of the top 500 debt-heavy corporates

Abhijit Lele

Showing further traction for asset resolution, bad loans over Rs four trillion are expected to be resolved by 2018, according to India Ratings.

Around 45 per cent of total bad loans worth Rs 10.2 trillion standing in the books of the top 500 debt-heavy corporates are likely to be resolved by the end of 2018 under the Insolvency and Bankruptcy Code (IBC) Act, while the balance is to be resolved largely during 2019.

The bad loans include total borrowings of entities within the top 500 borrower universe as on March 2017, with either a credit rating of 'C' or 'D'. Both are non-investment category ratings.

The total stressed debt resolved (including pre-National Company Law Tribunal restructuring or highest bidder identified under NCLT) totalled Rs 0.82 trillion. Lenders having exposure to such loans will take an average haircut of 43 per cent, lower than the overall estimate of 59 per cent on the entire bad debt portfolio.

The haircut may be low as some of the resolved bad debt were large-sized assets in iron and steel, and a cement asset.

The infrastructure (including power), and metals and mining sectors have the most concentrated stressed debt pending resolution, followed by real estate, telecom, and petrochemicals. The real estate sector may have a high requirement of debt refinancing to avoid falling into the stressed category. Few bad loans relating to metals and mining, cement, and auto and ancillary sectors have been successfully resolved so far.

Resolution timeframe benchmarks are expected to reduce by two years. According to the World Bank, India has the longest bad debt resolution turnaround time of 4.5 years. The Reserve Bank has been proactive in laying down the resolution timeframe in its circular of 12 February 2018, the rating agency said.

Going by the success of the resolutions so far, the outer limit for the timeline could be reduced to about 2-2.5 years including litigation.

Of the RBI's first and second lists of NCLT consisting of 37 corporates, only three have been resolved within the timeframe (first list: 270 days, second list: 180 days) notified. As the process is evolving, the resolution pace is likely to pick up in the next 6-12 months.

The success of the Insolvency and Bankruptcy Code (IBC) 2016 lies in the substantial reduction of the overall resolution time, which is in turn critical for the development of debt capital markets in India, it added.

Financial Express

3. Banks with over 10 branches to have ombudsman: RBI

The Reserve Bank of India (RBI) on Monday asked all scheduled commercial banks with more than 10 branches to appoint an Internal Ombudsman (IO)

By: IANS

The Reserve Bank of India (RBI) on Monday asked all scheduled commercial banks with more than 10 branches to appoint an Internal Ombudsman (IO). It, however, excluded Regional Rural Banks (RRB) from the requirement.

"The IO shall examine customer complaints which are in the nature of deficiency in service on the part of the bank, that are partly or wholly rejected by the bank," the RBI said in a release introducing the Internal Ombudsman Scheme, 2018.

The IO mechanism was set up with a view to strengthening the internal grievance redress system of banks and to ensure that the complaints of the customers are redressed at the level of the bank itself, the apex bank said.

With an IO, the redress will be done by an authority placed at the highest level of bank's grievance redressal mechanism. It will minimize the need for the customers to approach other fora for redressal, the RBI said.

As a part of this customer-centric approach, the banking regulator issued revised directions in the form of 'Internal Ombudsman Scheme, 2018' to enhance the independence of the IO and to strengthen the monitoring system.

The IO Scheme will cover appointment, tenure, roles and responsibilities, procedural guidelines and oversight mechanism for the IO, among other things. Its execution will be monitored by the bank's internal audit mechanism apart from regulatory oversight by RBI.

The RBI had, in May 2015, advised all public sector and select private and foreign banks to appoint IOs as an independent authority to review complaints that were partially or wholly rejected by the respective banks.

Economic Times

4. Home Credit campaign focuses on easy loans

ET Bureau

Home Credit India Finance, a non-banking finance company (NBFC), has unveiled its new brand campaign, "Bade bano bade chalo" which encourages customers to rise up when taking loans, especially if they are hesitant in borrowing from family and friends. The company conducted a research to gauge the thinking pattern of people when it comes to taking loans for their needs and aspirations, according to a release.

The campaign communicates relatable instances from daily lives of customers and reinforces Home Credit's positioning as a responsible lender and an active participant in the communities where it operates, the release said.

Martin Navratil, Chief Business Development Officer (CBDO) at Home Credit India said, "Customer is at the center of our new brand initiative. The campaign reinforces Home Credit's commitment towards Responsible Lending. We focus on first time borrowers by providing loans to people who do not have any CIBIL scores and who need access to regulated sources of financing."

The research conducted in Delhi and Mumbai highlights interesting facts into the changing mind-sets of people when it comes to taking loans. First, more than 70% of the people are not comfortable borrowing money from close ones. Second, people are comfortable to borrow up to approximately Rs 73,000 from their near and dear ones. Third, as a first choice to borrow money from - in Delhi, 45% prefer parents whereas in Mumbai, 39% prefer their friends.

People in Delhi borrow more for marriage (36%) and investment in business (33%) whereas people in Mumbai borrow more for asset purchase-consumer electronics (31%), household expenses (30%) and travel (23%).

Overall, most people want to pay back the loan in monthly instalments but 38% of people in Delhi want to pay back the entire loan amount together.

Through this campaign, Bade bano bade chalo, the company expects to motivate customers to rise up when taking loans, especially from families and friends. Bade bano bade chalo is all about self-motivation and taking a positive approach towards life

Business Line

5. RBI working on measures to further beef up cyber security in FY19

PTI

In view of the growing incidents of cyber fraud, the Reserve Bank is working towards further enhancing the security mechanism as part of its agenda for this fiscal, especially when digital transactions are witnessing a significant rise.

The central bank's agenda for 2018-19 includes, an enhanced level of protection against cyber risks to ensure continuous protection against the changing contours of Internet-based security threats.

"With the emerging threat landscape, where organised cybercrime and cyber warfare are gaining prominence, the Department (of Information Technology) is working towards ensuring continuous protection against the

changing contours of cyber security threat," according to the RBI's annual report.

The RBI's report said the 2018-19 agenda includes taking effective steps to "further enhance" the level of protection against cyber risks. The RBI will pro-actively initiate the process of developing a cyber security culture, endeavour to make cyber security a responsibility, and ensure confidentiality, integrity and availability of information systems and resources.

"An Audit Management Application portal to handle various supervisory functions of the cyber security and information technology examination cell in the Reserve Bank and to fully automate monitoring of returns has been envisaged in order to facilitate consistency and efficiency of the off-site monitoring mechanism," the report said.

New private sector and foreign banks accounted for 36 per cent each of all cyber fraud reported in debit, credit and ATM cards, among others. "In an endeavour to strengthen the cyber security posture of Indian banks, focused and theme-based IT examinations are planned during 2018-19. Targeted scrutiny, as and when required, would also be conducted for appropriate policy and supervisory intervention," the RBI said.

It further said given the increasing popularity of digital payments, data protection and cyber security norms were strengthened, and Know Your Customer (KYC) norms were modulated further to make them more effective.

"In order to secure consistency and improve the efficiency of the offsite monitoring mechanism, an Audit Management Application portal to facilitate various supervisory functions of the Cyber Security and Information Technology Examination (CSITE) Cell and to fully automate monitoring of returns has been envisaged, which will be operationalised by March 2019," it said.

With the emerging threat landscape, where organised cybercrime and cyber warfare are gaining prominence, the RBI is working towards ensuring continuous protection against the changing contours of cyber security threat.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)
GENERAL SECRETARY**

