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Dear Comrades,

7th September , 2018

News of Interest 6th SEP

MOTIVATIONAL QUOTES

'YOUR TALENT IS GOD'S GIFT TO YOU. WHAT YOU DO WITH IT IS YOUR GIFT BACK TO GOD.' LEO BUSCAGLIA

HIGHLIGHTS

1. SINGH BROTHERS' CASE: SHIVINDER SAYS MALVINDER FORGED WIFE'S SIGNATURE
2. RBI'S RATE PANEL MEMBER RAVINDRA DHOLAKIA QUESTIONS 8.2% ECONOMIC GROWTH
3. JAN DHAN YOJANA: GOVERNMENT DOUBLES OVERDRAFT LIMIT TO RS 10,000
4. UNION BANK EXPECTS RS 2,000 CRORE RECOVERY FROM RESOLUTION OF STRESSED POWER PROJECTS
5. KVB BANKS ON DIGITAL TECHNOLOGY

Business Standard

1. Singh brothers' case: Shivinder says Malvinder forged wife's signature

In a petition filed before NCLT, Shivinder sued Malvinder for 'oppression and mismanagement' of their companies

[Press Trust of India](#)

Former Fortis Healthcare promoter Shivinder Mohan Singh has alleged that his elder brother Malvinder forged his wife's signature, perpetrated illegal financial transactions and led the company into an unsustainable debt trap.

In a petition filed before the New Delhi-bench of the National Company Law Tribunal (NCLT), the younger of the Singh siblings, who were

synonymous with each other for decades, sued Malvinder for "oppression and mismanagement" of their companies.

The petition, which is likely to come up for hearing Thursday, charges Malvinder, 45, and former chairman of Religare Enterprises Ltd Sunil Godhwani of putting the company in a debt trap and acting prejudicially to the interest of its creditors and shareholders.

Malvinder "forged the signatures" of Aditi Singh, Shivinder's wife, in the documents of RHC Holdings Pvt Ltd, which along with Oscar Investments Ltd jointly owned financial services firm Religare Enterprises Ltd and hospital chain Fortis Healthcare Ltd, it said.

Malvinder and Godhwani "used their respective positions to perpetrate or cause others to perpetrate illegal financial transactions and various acts of mismanagement by and through RHC, leading to massive losses to RHC and its subsidiaries, and a depletion of the wealth," the petition said.

Their mismanagement put the company "into an unsustainable debt trap," it said.

Shivinder, whose public shareholding along with that of his elder brother was seized by lenders, besides being probed for illegal withdrawal of funds from Fortis Healthcare, wanted NCLT to remove Malvinder and reconstitute the board of RHC.

He asked NCLT to declare that Malvinder and Godhwani caused grave prejudice to the interest of the company by acting in "collusion with each other".

He also requested NCLT to "direct Malvinder Mohan Singh and Respondent No. 4 (Sunil Godhwani) to restitute the undue gains made by them which lead to losses being suffered by the petitioners and RHC Holdings".

Shivinder has also petitioned NCLT to direct Malvinder and Godhwani to "restitute and restore the wealth of RHC Holdings which got eroded due to their unlawful actions" and disclose "their assets, bank accounts and net worth".

The petition filed through law firm RRG & Associates also asked NCLT to direct Malvinder "to return the funds unlawfully taken from Fortis Healthcare and Religare Enterprises".

When contacted, RRG & Associates Managing Partner Ranjana Roy Gawai refused to comment, saying the "matter is subjudice and proprietary demands that we should await the outcome..."

Malvinder Singh could not be reached despite repeated attempts.

Shivinder also requested NCLT to direct Malvinder and Godhwani "not to alienate any interest in any asset anywhere so that recoveries can be effected against them".

While seeking interim relief, Shivinder has sought an injunction "to maintain status quo as on filing of the present Petition" over the shareholding of RHC Holdings till the time of disposal of the matter.

He has also sought "status quo to be maintained on board of directors" of RHC Holdings in his petition filed under section 241, 241 and 244 of the Companies Act, 2013.

In his 43-page petition, Shivinder alleged that signature of his wife Aditi Singh, who had held the post of managing director of RHC Holdings, was forged.

"There are also instances of the petitioner No 3 (Aditi Singh) being shown as present for a board meeting when she was in fact abroad.

"A resolution of the board of the company dated September 25, 2014, demonstrates the presence of petitioner No 3 in the board meeting, while in fact she was out of the country from September 24, 2014, till September 28, 2014. he said.

Shivinder further said: "Aditi Singh mere held the post of managing director on paper and had no role to play in the day to day workings of the company...has always been a homemaker who played no part in the functioning of RHC Holdings."

RHC Holding Pvt Ltd is a non-banking financial company owned by the families of Singh brothers. Currently, Malvinder Singh is the managing director of the firm.

2. RBI's rate panel member Ravindra Dholakia questions 8.2% economic growth

Higher manufacturing growth rate gives "rise to serious doubts about the veracity of new estimates", said Dholakia

Bloomberg

India probably overestimated manufacturing output while calculating economic growth that topped 8 per cent in the June quarter, according to a member of the central bank's rate-setting panel.

The new gross domestic product series has mostly replaced the Annual Survey of Industries with corporate financial data for estimating manufacturing value added, according to an article Ravindra Dholakia, a member of the Monetary Policy Committee, co-authored with R Nagaraj and Manish Pandya in the latest edition of the Economic and Political Weekly. This has resulted in its higher share in GDP and a faster growth rate compared to the older series, they said.

Statistics ministry data on Friday showed manufacturing sector expanded 13.5 per cent in the three months to June, driving the broader economic growth by 8.2 per cent — the fastest pace for any major economy. Finance Minister Arun Jaitley attributed the economy's performance to the government's reforms and fiscal prudence amid uncertainty spawned by the trade spat between the US and China.

"Does the new series represent a fuller description of the manufacturing value added, or is it an overestimation?" the authors wrote.

Higher manufacturing growth rate gives "rise to serious doubts about the veracity of new estimates" and is at "variance with other macroeconomic correlates," wrote Dholakia, an external member on the monetary policy committee and a management professor.

The Reserve Bank of India has maintained its full-year growth forecast at 7.4 percent, while flagging risks from high oil prices and trade tensions turning into a currency war. The central bank increased policy rates twice since June to curb inflationary pressures.

Dholakia has been advocating lower interest rates to support growth and was the only member to oppose a rate increase at the August meeting.

Financial Express

3. Jan Dhan Yojana: Government doubles overdraft limit to Rs 10,000

The government Wednesday decided to make the Pradhan Mantri Jan Dhan Yojana (PMJDY) an open-ended scheme and added more incentives to encourage people to open bank accounts

By: PTI

The government Wednesday decided to make the Pradhan Mantri Jan Dhan Yojana (PMJDY) an open-ended scheme and added more incentives to encourage people to open bank accounts. Briefing reporters about the cabinet decision, Finance Minister Arun Jaitley said as the scheme has been a "runway success", the government has decided to make it an open-ended scheme, meaning that it will continue indefinitely.

The PMJDY was launched in August 2014 for a period of four years as a national mission for financial inclusion to ensure access of financial services like bank accounts, insurance and pensions to the masses. To make the scheme more attractive, the government has decided to double the overdraft facility from Rs 5,000 to Rs 10,000, the minister said.

He further said that 32.41 crore accounts have been opened under the scheme and as much Rs 81,200 crore has been deposited in them so far. Jaitley said 53 per cent of the PMJDY account holders are women, while 83 per cent of the accounts are seeded with Aadhaar.

Economic Times

4. Union Bank expects Rs 2,000 crore recovery from resolution of stressed power projects

PTI

State-owned Union Bank of India hopes to recover Rs 2,000 crore from the resolution of three stressed thermal power units as there has been interest from other operators in these projects.

Three projects, including GMR Chhattisgarh Energy Limited and Prayagraj Power Generation Co Ltd (PPGCL), a subsidiary of Jaiprakash Power Ventures Ltd where the bank has exposure, are at different stages of resolution, a senior official of Union Bank of India said.

The project cost of GMR project was Rs 11,542 crore with debt component of Rs 8,173.9 crore while equity of Rs 3,367.54 crore. In case of Prayagraj Power, the project cost was revised upwards to Rs 15,537 crore which was met through Rs 4,543.50 crore equity and Rs 10,993.50 crore debt.

The total exposure of the bank in the power sector is about Rs 6,000 crore, the official said, adding that Rs 2,000 crore recovery is expected from resolution soon.

The official also said the haircut in these projects is going to be less than 50 per cent.

Lead banker in most stressed power cases SBI had last month said that 7-8 projects worth Rs 17,000 crore are expected to be resolved soon

There are about 34 stressed power projects and the combined value of their outstanding loans is about Rs 1.74 lakh crore.

"We have looked at 13-14 accounts which would entail changes in management, investment etc. Out of these, 7-8 accounts we are looking at very closely, to get some consensus among the banks," SBI managing director Arijit Basu had said.

"There are investors who have expressed interest and we are in very advanced stage as far as these accounts are concerned. Some of these we should be able to conclude very soon," he had said.

For the first quarter ended June 2018, Union Bank of India reported a 12 per cent increase in net profit of Rs 130 crore.

The bank had a net profit of Rs 116.58 crore in the same quarter of 2017-18.

Total income during the June quarter increased to Rs 9,908.76 crore as against Rs 9,567.69 crore in the same period a year ago.

Business Line

5. KVB banks on digital technology

OUR BUREAU,

Karur Vysya Bank (KVB) has taken to digital technology with the launch of two digital products – KVB-Next and KVB-Dlite – aimed at simplifying retail and corporate loan processing and account opening for customers.

KVB-Next, touted to be the first such facility in the Indian banking sector, will process retail and business loan requests using a tab-based application, which offers in-principle loan sanction to eligible customers within 15 minutes and loan disbursement in two-three days.

"This transformation from the age of the paper to digital is just a beginning in a series of digital initiatives being introduced by the bank," said PR Seshadri, MD and CEO, Karur Vysya Bank, during the bank's 102nd founders' day celebrations.

The digital loan processing solution will cover products such as home loans, personal loans and loans against property in the retail segment, and working capital loans in the corporate segment.

"We are planning to add term loans and business term loans under this digital platform shortly," said Seshadri.

Terming banking services as highly paper-intensive, Seshadri said using technology, KVB-Next leverages the information obtained from a variety of sources such as GST returns, Income Tax filings, annual reports and CIBIL score (in case of individuals), to generate score card for loan applicants.

Created for retail customers, KVB Dlite is an all-in-one upgraded mobile banking app, which enables an individual to open bank account in a three-step paperless authentication process. Launching the digital products, N Ram, Chairman, The Hindu Publishing Group, said whether it is a newspaper organisation or a bank, the challenge is to choose the interplay between tradition and modernity.

"But KVB has not just avoided this trap but actually married the warmth of tradition with the convenience of technology," he added.

Ram said the banking sector is playing a very critical role in sustaining the economy, despite weakening rupee and other negative issues.

With kind regards,

Yours Comradely,



(**N. GOVINDRAJULU**)
GENERAL SECRETARY