

## News of Interest 14<sup>th</sup> SEP

### QUOTE OF THE DAY

‘ATTITUDE IS A LITTLE THING THAT MAKES A BIG DIFFERENCE. ‘

WINSTON CHURCHILL

### HIGHLIGHTS

1. MOTHER PLAYS PEACEMAKER: SHIVINDER WITHDRAWS CASE AGAINST MALVINDER
2. PNB PUTS NEARLY TWO DOZEN NPAS ON SALE TO RECOVER OVER RS 13.20 BILLION
3. WHO IS VIBHA PADALKAR? HDFC LIFE'S NEW MD, CEO WHO IS REPLACING AMITABH CHAUDHRY
4. BANKS MAY SHOW PHOTOS OF ASSETS TO BE AUCTIONED
5. NO 'HALLA BOL' AT DEFAULTER'S RESIDENCE: KERALA HC TO CORP BANK

### Business Standard

#### 1. Mother plays peacemaker: Shivinder withdraws case against Malvinder

Their mother has acted as the peacemaker, however, Shivinder might take legal route again if the conflict is not resolved through mediation

[Veena Mani](#) & [Sohini Das](#)

Fortis Healthcare co-founder Shivinder Singh on Thursday decided to withdraw the case he had filed against his brother Malvinder Singh at the National Company Law Tribunal (NCLT), and agreed to try to solve the dispute with mediation from family elders.

Their mother, Nimmi Singh, bedridden since suffering a stroke last year, played peacemaker between the brothers. Sources said she had stopped eating for the past few days and had constantly been making calls and sending emails to the two brothers.

She may have avoided a legal tangle for her family at least for now, but sources close to Shivinder claimed he was not very hopeful of the negotiations yielding results. If talks failed, another court case might be in the offing.

The younger brother, sources said, had in the past tried several times to have elders intervene and put some pressure on Malvinder on matters of business over which the duo did not agree. Such efforts have seldom met with success.

“Being the younger of the two, he was not taken very seriously,” claimed a source.

When Shivinder finally decided to move court against his brother, accusing Malvinder of forging his wife Aditi Singh’s signature and conducting illegal financial transactions,

some members of family felt had he done this earlier, perhaps Fortis could have been saved, said a source.

"In such matters, it is best to hold a talk, let the liabilities for the historical part be fixed with those responsible, and work out what needs to be done to fix things in the future. Many matters would need joint efforts. In courts, things can take many years to resolve," said someone close to Shivinder.

This time, apart from the two brothers, their uncles (at least a couple of them) are supposed to get involved in the talks. Shivinder has communicated a deadline that he has in mind for the process. If things do not move towards a mutually agreed-to resolution, the younger brother is likely to take legal action again.

Nimmi Singh is at the Radha Soami Satsang Beas ashram in Amritsar; the brothers are in Delhi. Her cousin, Gurinder Dhillon, is the current guru of the ashram. The family would decide when and where to meet and discuss. As of now, the NCLT's principal Bench will be hearing the withdrawal application on Friday.

Ranjana Roy Gawai, counsel for Shivinder, said, "Their mother wants the matter to be sorted out of court, within the family with elders ironing out issues between the brothers. Hence, Shivinder plans to withdraw his application."

The petition read, "That out of respect for their mother, the parties have already started mediation and as per the request of the mediators to constructively progress the mediation, the petitioners wish to withdraw the captioned petition, without prejudice to their rights and contention."

Shivinder had filed a case in the NCLT against his brother Malvinder and Sunil Godhwani, a former senior executive of Religare in the first week of September.

Shivinder and Aditi Singh had alleged that Malvinder and Godhwani had conducted matters in RHC Holding, a company where both brothers have equal stakes through their respective investment arms (Shivi Holdings and Malav Holdings), in a manner which had put RHC and its subsidiaries in an "unsustainable debt trap".

Shivinder's counsel has petitioned that the debt-equity ratio has not been maintained in RHC because of which, it could not achieve 'meaningful progress' with the investors for sale of stake of RHC in Fortis Healthcare or Religare Enterprises (REL) by the end of the year 2017.

The tribunal had said status quo should be maintained on the shareholding and board of RHC Holding. The matter was to come up for hearing on October 9.

## **2. PNB puts nearly two dozen NPAs on sale to recover over Rs 13.20 billion**

"We intend to place these accounts for sale to ARCs/NBFCs/other banks/FIs etc, on terms and conditions stipulated in the bank's policy, in line with the regulatory guidelines," PNB said

Press Trust of India

Punjab National Bank has put nearly two dozen non-performing accounts (NPAs) on sale to recover over Rs 13.20 billion.

The bank's Stressed Assets Targeted Resolution Action (SASTRA) Division, which is handling the sale of stressed assets to recover dues, has put on sale a total of 21 accounts which cumulatively owe PNB Rs 13.20 billion.

"We intend to place these accounts for sale to ARCs/NBFCs/other banks/FIs etc, on terms and conditions stipulated in the bank's policy, in line with the regulatory guidelines," PNB said in a notification.

The accounts include Moser Baer Solar, which has an outstanding of Rs 2.33 billion, Divine Alloys & Power Co Ltd Rs 2 billion, Divine Vidyut Rs 1.32 billion, Chincholi Sugar & Bio Industries Rs 1.14 billion, Arshiya Northern FTWZ Ltd Rs 967 million, Birla Surya Rs 735.8 million, Shri Saikrupa Sugar & Allied Industries Rs 633.5 million and Raja Forgings & Gears Ltd Rs 597.3 million.

Templeton Foods (Rs 531.7 million), Paritran Medical College & Hospital (Rs 511.4 million), Rathi Ispat (Rs 454.8 million), James Hotel (Rs 335 million) and Jain Overseas (Rs 334.1 million) are among the other big loan defaulters.

The remaining firms which are listed in the sale process are Dharmnath Investment, The Mobile Store Services, Avon Life Sciences, Zoom Vallabh Steel, Collage Estate Pvt Ltd, Crown Milk Specialties and Gurukul Education & Charitable Trust.

PNB said the submission of financial bids will be only through e-auction method which will take place on the bank's portal on September 20.

These accounts are concentrated at Mumbai, Chennai, Delhi, Patna, Chandigarh and Patna zones of Punjab National Bank.

The public sector lender had put three NPA accounts for sale in April this fiscal and another three accounts in July with collective dues of more than Rs 350 crore.

The scam-hit lender made NPA recoveries of over Rs 77 billion in the first quarter of 2018-19, which surpassed the total recoveries it made in full 2017-18, as the bank intensified its efforts to cut bad loans from its balance sheet.

Jewelers Nirav Modi and Mehul Choksi, in connivance with certain PNB officials posted at a Mumbai branch of PNB, allegedly cheated the bank of about Rs 140 billion through issuance of fraudulent Letters of Undertaking (LoUs).

PNB had unearthed the fraud in February this year and reported to relevant authorities. A multi-agency probe is presently on in the matter.

The bank had gross bad loans of Rs 828.88 billion on its books by the end of the first quarter of this fiscal, which was over 18 per cent of the gross loans.

## **Financial Express**

### **3. Who is Vibha Padalkar? HDFC Life's new MD, CEO who is replacing Amitabh Chaudhry**

HDFC Standard Life Insurance appointed Vibha Padalkar as its MD and CEO for a period of three years effective Wednesday

By: FE Online

HDFC Standard Life Insurance appointed Vibha Padalkar as its MD and CEO replacing Amitabh Chaudhry for a period of three years effective Wednesday. She was earlier serving as company's executive director and chief financial officer. Her appointment came on the backdrop of the resignation of the current MD and CEO, Amitabh Chaudhry on September 8 to join Axis Bank as MD and CEO for a period of three years, effective January 1, 2019.

"Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have appointed Ms Vibha Padalkar, as the Managing Director & Chief Executive Officer of the Company for period of 3 years commencing from September 12, 2018. The terms of appointment are subject to approval by the Shareholders and the Insurance Regulatory and Development Authority of India," said company in the exchange filing.

"It will be my constant endeavour to continue expanding the reach of life insurance and deepen the trust bestowed upon us by customers, partners, shareholders and other stakeholders," PTI reported Vibha Padalkar as saying.

Vibha Padalkar joined the company in August 2008. Since then, she has been leading the finance, investor relations, legal, secretarial and compliance, internal audit and risk functions.

The shares of HDFC Life were trading at Rs 434.8 down 2.49 percent on BSE today at the time of reporting.

## **Economic Times**

### **4. Banks may show photos of assets to be auctioned**

TNN

Soon, banks may show photographs of properties that they put up for auction, along with relevant documents, just like some of the real estate portals do as the government wants lenders, who seize assets of loan defaulters, to improve the e-auction process. While banks routinely auction factories and plants of corporate loan defaulters, in recent years, apartments and villas of home loan defaulters have also entered the market and banks are already using the e-auction route "In the absence of reliance on modern techniques, the gains are limited and potential buyers often do not have details like what is available on other sites," said a finance ministry official.

As a result, public sector banks have been advised to put in place an auction marketplace with tools such as photographs of the property as well as crucial documents. The idea is to enable someone sitting in Chennai or Chandigarh take a preliminary look at the property that is being auctioned in Delhi or Mumbai. "This will help expand the customer base, improve the quality of bids and help banks improve the recoveries," financial services secretary Rajiv Kumar told **TOI**.

The instructions are part of the revamp of debt recovery tribunals, where the government has initiated several steps, including increasing the pecuniary limit for

filing cases from Rs 10 lakh to Rs 20 lakh as part of an unclogging drive. At the end of June, over 38,000 cases were pending before the DRTs, of which 38% were between Rs 10 lakh and Rs 20 lakh, although in value terms this segment's share was only 4%. With fewer cases, the government is hoping for faster recovery.

Similarly, states have been asked to instruct district magistrates (DMs) to pass orders on secured asset seizure within 60 days of banks initiating action. But the DMs have been slow, leaving nearly 10,000 applications pending. "This is part of the overall strategy, which includes the insolvency law and several other steps. Defaulters have no choice but to pay up," Kumar said.

## **Business Line**

### **5. No 'halla bol' at defaulter's residence: Kerala HC to Corp Bank**

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KC GOPAKUMAR

The Kerala High Court, on Thursday, restrained the management of Corporation Bank from holding any sort of demonstration by its employees in front of a loan defaulter's residence demanding repayment of the loan amount.

Justice Dama Seshadri Naidu, while passing the order, observed that the bank could still have its legal methods of recovery. The court did not come in its way. But its officials could not conduct any sort of '*halla bol*' (demonstration holding placards). "Prima facie, it affected the petitioner's right to privacy - a most-cherished fundamental, though unenumerated right," the court observed.

The order came on the petition filed by Anil Kumar P of Ravipuram, Kochi. According to him, he had availed a Mudra Shishu loan of ₹50,000 under the Prime Minister's Mudra Yojana scheme, launched in 2015, with a mission to create an inclusive, sustainable and value-based entrepreneurial culture for achieving economic success and financial security.

In fact, he had already repaid ₹37,000. However, a group of nearly 10 bank employees, along with the Chief Manager of the Ravipuram branch, took out a march to the residence of the petitioner holding the placards to "refund public money". The illegal activities of the bank had caused irreparable damage to the petitioner. The manager had also threatened that the demonstration would be organised again.

With kind regards,

Yours Comradely,



**( N. GOVINDRAJULU )  
GENERAL SECRETARY**

