



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
---	--	--	--

Dear Comrades,

21st September , 2018

News of Interest 21st SEP

MOTIVATIONAL QUOTES

‘LIFE IS FULL OF HAPPINESS AND TEARS; BE STRONG AND HAVE FAITH. ‘

KAREENA KAPOOR KHAN

HIGHLIGHTS

1. GOVT APPOINTS 14 GENERAL MANAGERS AS EXECUTIVE DIRECTORS IN DIFFERENT PSBS
2. YES BANK'S RANA KAPOOR IS THE LATEST CASUALTY IN INDIA'S BAD-DEBT BATTLE
3. SBI NOT RIGHT CANDIDATE TO TAKE OVER MORE BANKS, SAYS CHAIRMAN RAJNISH KUMAR
4. SBI HOPES TO RESOLVE 7-8 STRESSED POWER ASSETS BY NOV 11: CHAIRMAN
5. PREVENTIVE VIGILANCE WOULD WORK BEST IN PSBS, SAYS RBI GOVERNOR

Business Standard

1. Govt appoints 14 general managers as executive directors in different PSBs

Shanti Lal Jain and Vikramaditya Singh Khichi have been appointed as executive directors in the Bank of Baroda initially for a period of three years

Press Trust of India

As many as 14 general managers have been appointed as executive directors in different public sector banks, according to an official order issued Thursday.

Shanti Lal Jain and Vikramaditya Singh Khichi have been appointed as executive directors in the Bank of Baroda initially for a period of three years, it said.

They will be eligible for extension in their term by two years after review of their performance, the order issued by the Personnel Ministry said.

Jain is the general manager of the Allahabad Bank and Khichi is the general manager in the Dena Bank.

Agyey Kumar Azad, the general manager of the Bank of India, has been named as executive director in the Punjab National Bank.

Gopal Singh Gusain and Manas Ranjan Biswal have been appointed as executive director in the Union Bank of India initially for a period of three years, the order said.

Both are working as general managers in the Punjab National Bank.

Vijay Dube, the general Manager of the Vijaya Bank, will be executive director in the Oriental Bank of Commerce. Alok Srivastava, the general manager of the Punjab National Bank, has been appointed as executive director in the Central Bank of India.

Hemant Kumar Tamta and Sanjay Kumar will be executive directors of the Bank of Maharashtra and the United Bank of India, respectively. Tamta is the general manager of the Canara Bank and Kumar is with the United Bank of India.

P R Rajagopal, the general Manager of the Union Bank of India, has been named as executive director in the Allahabad Bank for three years, the order said.

The government had on Wednesday appointed managing directors (MDs) and chief executive officers (CEOs) in 10 public sector banks. Four of them were working at the level of executive director.

The names of new incumbents have also been appointed in their place.

Shenoy Vishwanath Vittal will be executive director in the Indian Bank in place of A S Rajeev, who was appointed as the MD and CEO of the Bank of Maharashtra.

Vittal is the general manager of the Union Bank of India.

Ajit Kumar Das, the general manager of the Canara Bank, has been named as executive director in the United Bank of India in place of Ashok Kumar Pradhan.

Pradhan had earlier been appointed as the MD and CEO of the United Bank of India.

Ajay K Khurana will be executive director in the Syndicate Bank. He is at present the general manager of the Vijaya Bank. Khurana has been appointed in place of S S Mallikarjuna who had been named as the MD and CEO of the Allahabd Bank.

Dinesh Kumar Poonam Chand Garg, the general manager of the Bank of India, will be executive director in the Union Bank of India. He has been appointed in place of Atul Kumar Goel, who had been named as the MD and CEO of the UCO Bank.

Their appointments come more than three months after they were recommended by the Banks Board Bureau, an advisory body formed by the government for top level appointments in the banks.

The BBB had recommended 22 bankers to be appointed as executive directors in different public sector banks through its order dated June 16.

2. YES Bank's Rana Kapoor is the latest casualty in India's bad-debt battle

According to analysts, the RBI is snuffing out banks' hopes for gentle approach

[Ari Altstedter & Anto Antony |](#)

India's central bank has again shown its teeth as the regulator of the country's private-sector banks with the decision to end Rana Kapoor's term as the chief executive officer of Yes Bank Ltd., the lender he founded 14 years ago.

The Reserve Bank of India will require Kapoor to step down at the end of January, rejecting the lender's request to extend his tenure by three years, the bank said in a brief statement late Wednesday. Yes Bank's board will meet on September 25 to decide on future action, the bank added, without giving details.

Kapoor's removal illustrates just how far the RBI is preparing to go to root out a system-wide legacy of shoddy lending that's resulted in ballooning bad debts. While the central bank didn't give a reason for its decision, it had tussled with Yes Bank about how much of its loans should be recognized as nonperforming.

The RBI has also taken a tough line with other private-sector bank CEOs in recent months. Despite support from shareholders, Axis Bank Ltd.'s head Shikha Sharma in April said she will step down at the end of 2018, more than two years before the proposed end of her term, after the central bank refused to extend her tenure.

"The RBI is snuffing out any hope bankers had about non-compliance being dealt with gently," said Soumen Chatterjee, head of research at Guinness Securities Ltd. "Senior management now knows that anyone not playing by the central bank's rule book will be shown the door."

Both Axis and Yes Bank have stood out from their peers in the wake of the RBI's stricter disclosure standards for bad loans introduced in April 2017. The regulator is seeking to clean up an overhang of more than \$210 billion of stressed assets in the banking system, one of the highest in the world, and thereby revive lending growth in Asia's third-largest economy.

Last year, the RBI ordered lenders to come clean in exchange filings if the difference between the soured credit reported in their results and as

assessed in subsequent central bank reviews amounted to more than 15 per cent.

Yes Bank later reported a discrepancy of more than 300 per cent, one of the highest in the industry; the difference for Axis was 26 per cent. Yes Bank has argued that the impact of the divergence on the bank's results was small because it subsequently recovered many of the loans labelled as problematic by the central bank.

A spokesman for Yes Bank didn't immediately respond to an email seeking comment, sent Thursday on an Indian public holiday.

Successor Candidate

Senior Group President Rajat Monga, who has been with Yes Bank since its inception, could be an internal candidate to succeed Kapoor, according to Citigroup Inc. analyst Manish Shukla. Citigroup cut its rating on Yes Bank to 'sell' from 'buy,' saying the premium attached to the shares may be eroded as a result of Kapoor's departure.

RBI also rebuffed the method of India's richest banker, Uday Kotak, to pare his stake in Kotak Mahindra Bank Ltd to meet regulatory requirements. Kotak's attempt to comply with a year-end deadline to cut his holding by one-third to 20 per cent didn't get approval from the central bank, the lender said in an exchange filing in August.

Yes Bank is likely to fall when the market reopens on Friday, though the drop may be short-lived, according to G. Chokkalingam, managing director at Equinomics Research & Advisory Pvt. "The stock will have only a knee-jerk reaction as it has already fallen a lot and the growth opportunity is very strong in India," he said.

Shares of Yes Bank fell 1.3 per cent to 319.2 rupees in Mumbai on Wednesday, before the bank issued its statement.

Financial Express

3. SBI not right candidate to take over more banks, says Chairman Rajnish Kumar

The country's largest lender State Bank of India Thursday said it is not in a position to acquire more banks at the moment as it needs 2-3 years to see gains from the consolidation effected last year

By: PTI

The country's largest lender State Bank of India Thursday said it is not in a position to acquire more banks at the moment as it needs 2-3 years to see gains from the consolidation effected last year. SBI last year merged with itself five of its subsidiary banks and taking over Bharatiya Mahila Bank, catapulting it to be among top 50 global lenders. "We are not the right candidate to take over more banks, as we will need two to three years to see gains from consolidation of its associate banks last year," SBI Chairman Rajnish Kumar told reporters here.

He said that SBI is the largest bank with a market share of 23 per cent and more consolidation will lead to monopoly of the bank. However, Kumar said India needs to reduce the number of state-owned banks through

consolidation for better management. The statement comes after the government announced its intention to merge Bank of Baroda, Vijaya Bank and Dena Bank earlier this week. On Monday, 'Alternative Mechanism' (AM) headed by Finance Minister Arun Jaitley decided to merge three banks with a view to create global size lender, which will be stronger and sustainable.

The merged entity will have a combined business of Rs 14.82 lakh crore, making it the third largest bank after SBI and ICICI Bank. It will have better financial strength. The net NPA ratio will be at 5.71 per cent, significantly better than public sector bank (PSB) average (12.13 per cent). To a question related to stressed assets in the power sector, the SBI chairman said that efforts were on with respect to resolution of all the cases. "Lenders are convinced about the IBC process. There is no effort to consciously avoid IBC (Insolvency and Bankruptcy Code)," he said.

Economic Times

4. SBI hopes to resolve 7-8 stressed power assets by Nov 11: Chairman

PTI

State Bank of India hopes to resolve 7-8 stressed power assets with an exposure of around Rs 17,000 crore during the breather given by the Supreme Court till November 11, SBI Chairman Rajnish Kumar said Thursday.

The Supreme Court has asked the banks to maintain status quo and not to initiate insolvency proceedings against defaulting power companies till November 11, 2018, when it would hear the case again. During this period lenders would be able to resolve stressed assets..

"On my radar there are 7 or 8 projects. We are working only on that. If there is 100 per cent consensus among lenders only then it (resolution of stressed power assets) would happen," Kumar told reporters when asked whether SBI would be able to resolve any stressed assets during the breather till November 11.

About any resistance from lenders to resolve these stressed assets, he said, "They are all at various stages of approval. So at this stage it is not the right statement to say that there is resistance. We have to give time to boards and management committees of lenders to take a decision.

"SBI has taken a decision regarding 7 to 8 such projects. We have conveyed that. Some other banks have also conveyed and some other banks are yet to get approval. That is why we need some time."

About the SBI exposure in those assets, he said, "SBI has exposure of Rs 17,000 crore in these projects."

About the Supreme Court order, he said, "Whatever legal options or whatever is permitted by law and regulation would be done. Right now the Supreme Court has said that maintain status quo (on Feb 12 circular)) in respect of petitions pending in high courts. So everybody is maintaining the status quo."

The RBI framework provided for a strict timeline for resolution of these bad loans where debt is Rs 2,000 crore or more. It mandates starting insolvency

proceedings in case no resolution plan is provided by the lenders within 180 days of default.

About the steps to check rupee depreciation, he said, "There are some more measures which are coming. But current account deficit needs to be contained. The step taken so far would definitely help the sentiment in favour of the rupee."

On steps taken on containing rupee depreciation by bankers like NRI bonds, he said, "Whatever you do ultimately add to the debt burden of the country. It is not what banks will decide. Ultimately these are the issues or decisions which are to be taken by RBI that how do we manage our external sector. Once those decisions are taken, the banks implement those decisions."

About unveiling of SASHAKT scheme guidelines, he said, "That is what in progress. earlier target was September 30, you can add 10 to 15 days more to that. Banks can invest up to 10 per cent in AIF (alternative investment fund). But it has to carry in mind that 10 per cent carries 150 per cent risk weight. But in AMC (asset Management Company) we would be participating to the extent of 10 per cent."

Project Sashakt aims to strengthen the credit capacity, credit culture and credit portfolio of public sector banks. It is an Asset Management Company (AMC) resolution approach, under which an independent AMC would be set up to focus on asset turn around, job creation and protection.

Kumar spoke to reporters on the sideline of an event where Hindustan Urvarak & Rasayan Ltd (HURL) signed the Rupee Term Loan (Rs 5,314.33 crore) agreement for the Gorakhpur fertiliser plant with a consortium of banks led by the SBI as the lead banker and Punjab National Bank, Allahabad Bank, Union Bank of India, Indian Bank, Bank of India and Canara Bank.

The HURL is a joint venture company of three Maharatna PSUs -- NTPC, IOCL and CIL -- along with FCIL & HFCL and is currently engaged in implementing three urea projects at Gorakhpur, Sindri and Barauni in the eastern part of the country.

These plants which are being built at an estimated cost of Rs 21,000 crore shall bring a new lease of life in the economic growth of eastern India. The GAIL is implementing a natural gas pipeline for supplying gas to these three plants and the total investment by HURL and GAIL amounting to Rs 36,000 crore.

Business Line

5. Preventive vigilance would work best in PSBs, says RBI Governor

OUR BUREAU

'It's more effective than detective and punitive measures'

NEW DELHI, SEPTEMBER 20

Preventive vigilance is likely to work best in a public sector institution setting, RBI Governor Urjit Patel said on Thursday.

By 'preventive vigilance', he meant the steps aimed at reducing the occurrence of a lapse (violation of a law, a norm, or broadly speaking a governance requirement).

This is a key tool and takes the centre stage for good governance at public sector institutions, Patel said in his lecture delivered at the Central Vigilance Commission (CVC) here. The lecture was part of a monthly series initiated after Central Vigilance Commissioner KV Chowdary assumed charge in June 2015.

Patel felt that both 'detective vigilance' (which is aimed at identifying and verifying the occurrence of a lapse) and 'punitive vigilance' (which is aimed at deterring the occurrence of a lapse) are somewhat ineffective.

"While not taking away from the need to engage in some detective and punitive vigilance, preventive vigilance is conceptually likely to be the most effective governance mechanism at public sector institutions," he said.

However, Patel did not go into the aspect of how one must tighten governance in practice at public sector banks (PSBs), which are facing governance challenges in the backdrop of the current NPA mess in the banking system. "That is for another day," he said.

The RBI way

Patel spoke extensively on how vigilance is organised at RBI, the central role that preventive vigilance takes at the central bank and the measures adopted to date in this regard.

Stating that RBI's vigilance administration focuses on 'preventive vigilance' functions, he said this approach inculcates a sense of honesty and integrity among its employees and ensures that sound internal systems and controls are laid down, which act as a defence against intended malafide activity by an employee.

"This is borne out by the fact that the incidence of vigilance cases in RBI has been negligible. Over the last four years, the percentage of vigilance cases against RBI employees vis-à-vis the total staff strength of RBI stood on average at 0.004 per cent. We continue to endeavour to maintain high standards of integrity," Patel said.

He further sought the CVC's support and guidance to strengthen the central bank's preventive vigilance framework. The RBI intends to work in this direction by simplifying rules and procedures as also by leveraging technology to ensure compliance, he added.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)
GENERAL SECRETARY**