



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

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Dear Comrades,

30th March , 2019

News of Interest 30th MAR

QUOTE OF THE DAY

“DEFINITENESS OF PURPOSE IS THE STARTING POINT OF ALL ACHIEVEMENT”
W. CLEMENT STONE

HIGHLIGHTS

1. NIRAV MODI'S LEGAL TEAM TO MAKE A SECOND BAIL APPLICATION IN UK COURT TODAY
2. GOVT TO BORROW RS 4.42 TRN IN 1ST HALF OF FY20: ECONOMIC AFFAIRS SECRETARY
3. PNB PARES STAKE IN PNB HOUSING, RAISES RS 1,851 CRORE
4. SBI CAPS TO HUNT FOR NEW INVESTORS FOR JET AIRWAYS
5. DESPITE MERGER WITH BOB, VIJAYA AND DENA TO RETAIN LOGOS FOR A WHILE

Business Standard

1. Nirav Modi's legal team to make a second bail application in UK court today

The 48-year-old diamond merchant was denied bail by District Judge Marie Mallon at his first hearing soon after his arrest by Scotland Yard officers from a central London bank branch

Press Trust of India

Fugitive diamantaire Nirav Modi is set to appear before Westminster Magistrates Court in London on Friday, when his legal team will make a second bail application.

The 48-year-old diamond merchant was denied bail by District Judge Marie Mallon at his first hearing soon after his arrest by Scotland Yard officers from a central London bank branch as he tried to open a new bank account and has been in custody at the HMP Wandsworth prison in south-west London since last Wednesday.

Friday's hearing is expected to be presided over by Chief Magistrate Emma Arbuthnot, the same judge who had ordered the extradition of former Kingfisher Airlines boss Vijay Mallya last December.

At his first court appearance after his arrest last week, the Crown Prosecution Service (CPS), arguing on behalf of the Indian authorities, told the court that Modi is wanted for alleged "high value and sophisticated" fraud and money laundering amounting to USD 2 billion.

The CPS will be joined in court by a joint Central Bureau of Investigation (CBI) and Enforcement Directorate (ED) team that has arrived from India to assist with the extradition case.

Describing him as the "opposite of a flight risk" during the first bail application hearing last week, Modi's defence team had offered 500,000 pounds as security and also submitted to any stringent conditions that may be imposed upon their client.

It remains to be seen how they would further enhance that offer in order to convince the judge to grant bail during the second hearing, following which the case will proceed to a series of case management hearings and setting of a trial date.

Modi was arrested by uniformed Scotland Yard officers from a Metro Bank branch in central London as he attempted to open a new bank account on March 19. During his first court appearance a day after, it emerged that the diamantaire accused of defrauding India's state-owned Punjab National Bank (PNB) via fraudulent Letters of Undertaking (LoUs) had been in possession of multiple passports, since revoked by the Indian authorities.

While one passport is now in possession of the Metropolitan Police, a second expired passport is lying with the UK Home Office and a third with the UK's Driving and Vehicle Licensing Authority (DVLA) for a driver's licence.

Besides the passports, Modi also possesses multiple residency cards, some of them expired, but covering countries/regions such as the UAE, Singapore and Hong Kong.

His defence team tried to establish his very "visible" and "lawful" residence at his luxury Centre Point apartment in London's West End, paying his local council tax and also using a National Insurance number, allocated to legal UK residents for purposes of work.

The CPS challenged all claims to counter the first bail plea and pointed out that Modi had "deliberately evaded justice" and not returned to India despite a series of criminal summons issued by Indian courts.

2. Govt to borrow Rs 4.42 trn in 1st half of FY20: Economic Affairs Secretary

The calendar released by the Reserve Bank of India (RBI) on its website showed that the weekly borrowing would be Rs 17,000 crore, less than the Rs 18,000 crore witnessed by the market in H2, FY19

Anup Roy |

The government's first half gross borrowing would be Rs 4.42 trillion, about 62.25 per cent of the total planned for the full 2019-20.

Generally, the government front-loads the borrowing to leave the second half to corporate borrowers to raise money. However, in 2018-19, the government decided to borrow 47.5 per cent in the first half, as bond yields moved up rapidly since September 2017. The share of the total borrowing is largely in line with market expectations. The expectations was that there will be 60-62 per cent borrowing in the first half (H1).

The calendar released by the Reserve Bank of India (RBI) on its website showed that the weekly borrowing would be Rs 17,000 crore, less than the Rs 18,000 crore witnessed by the market in H2, FY19.

However, the H2 borrowing of the present fiscal year was supported by massive open market operations (OMO) by the RBI under which it bought a record Rs 2.9 trillion of bonds from the secondary market.

Market participants expect the government to continue with its OMO support this fiscal year, considering the heavy borrowing programme.

Finance Secretary Subhash Chandra Garg told reporters the net borrowing in the first half would be Rs 3.4 trillion, while in the second it would be Rs 1.33 trillion, including a buyback of Rs 50,000 crore of bonds from the market. "The high gross borrowing number is on account of redemption," Garg said. The repayment obligation for the next financial year would be about Rs 2.37 trillion.

There will be more issuance in the 15-24-year bucket, Garg said, adding that lack of bonds in that segment is distorting the yield curve and has made space for issuance of more bonds. The 10-year bond yields closed at 7.3 per cent on Friday. The borrowing calendar was announced after market closure.

Soumyajit Niyogi, associate director, Indian Ratings (Ind-Ra) and Research, said the Centre's borrowing would strain the market when taken in conjunction with state development loans. Ind-Ra expects states to borrow Rs 4.3 trillion on a net. "The high central and state borrowings will pressure the longer end of the yield curve, if the RBI does not conduct enough OMOs," Niyogi said. High borrowing numbers will stop yields to fall even as the RBI cuts rates in the future, he added.

Financial Express

3. PNB pares stake in PNB Housing, raises Rs 1,851 crore

By: [PTI](#)

As per the agreement, PNB will sell 1,08,91,733 equity shares held in PNB Housing Finance Ltd (PNBHF) to General Atlantic Group at a price of Rs 850 per share, aggregating to Rs 925.80 crore.

State-run Punjab National Bank (PNB) Friday said it will sell its partial stake in PNB Housing Finance to global private equity firm General Atlantic Group and alternative investment firm Varde Partners for Rs 1,851.6 crore.

PNB has entered into agreements in relation to the said transactions Friday, the public sector bank said in a regulatory filing.

As per the agreement, PNB will sell 1,08,91,733 equity shares held in PNB Housing Finance Ltd (PNBHF) to General Atlantic Group at a price of Rs 850 per share, aggregating to Rs 925.80 crore.

PNB has also entered into an agreement to sell 1,08,91,733 equity shares held in PNBHF to Varde Partners at a price of Rs 850 per share, aggregating to Rs 925.80 crore. Post these transactions, PNB said it would continue to hold strategic stake of 19.78 per cent of the paid up capital of PNBHF and shall continue as a promoter and strategic shareholder of PNBHF.

The transactions are subject to "satisfaction of customary conditions, including receipt of applicable regulatory approvals", PNB added. As on December 31, 2018, PNB held 32.79 per cent stake in PNB Housing Finance.

Economic Times

4. SBI Caps to hunt for new investors for Jet Airways

Former SBI chairman AK Purwar would take charge as chairman of the interim board as promoter Naresh Goyal has relinquished his position following lenders' demand.

By Atmadip Ray, ET Bureau

Lenders to Jet Airways NSE -0.15 % is all set to hire SBI Capital Markets to advise them in the process of finding new investors for the troubled airlines. They are also going to appoint consultancy firm Mckinsey to guide the interim board and management in running the show till new investors come in.

The interim board and management committee for Jet is being finalised while Jet's existing chief executive officer Vinay Dube and chief financial officer Amit Agarwal will continue to be part of it, State Bank of India Managing Director Arijit Basu said Friday.

Basu said that former SBINSE 0.55 % chairman AK Purwar would take charge as chairman of the interim board as promoter Naresh Goyal has relinquished his position following lenders' demand.

"This (Purwar's appointment) is being done as a corporate governance practice. But I would like to clarify that banks are in no way going to run the airlines as it has been speculated," he said.

Once the interim board takes shape in a week or so, the process of hiring SBI Caps will begin.

Lenders led by SBI will have 50.1% holding in the airlines following the debt-equity conversion as per Reserve Bank of India norms for stressed loans. The stake issued to the banks will be valued at Re 1 on their books. Jet has about 11.4 crore equity shares while a similar number of shares will be floated in favour of the lenders, Basu told ET.

Accordingly, promoter Goyal's 51% holding will come down to half while Etihad's 24% will become 12%.

Lenders to Jet Airways and the existing promoters will offload their shares as part of the restructuring exercise. Meanwhile, they will infuse fresh debt to avoid the airlines from being grounded.

"It is difficult for any airlines to turn around if it is grounded. We will examine what is the minimum requirement of fund-based and non-fund based loan it would require to carry out operation," Basu said.

It was earlier reported that banks would provide Rs 1500 crore as fresh working capital loan.

It is learnt that Jet Airways is looking to increase the number of airborne aircraft to 75 by the end of April from 35 at present. It had a fleet of 119 aircraft before lessors started taking back the aircraft following the fund-crisis.

Business Line

5. Despite merger with BoB, Vijaya and Dena to retain logos for a while

[Our Bureau](#)

Old signages will be used for a few more months to avoid confusion, says Dena official.

Customers of Dena Bank and Vijaya Bank will continue to see the familiar logos of 'Goddess Lakshmi' (the Goddess of Wealth) and that of 'A man bowing humbly with his hands in his pockets' for some more time, despite the banks getting merged with Bank of Baroda with effect from April 1, 2019.

However, the branches will also sport the 'Now - Bank of Baroda' sticker on the branches to reflect the changed status.

To avoid confusion among customers, branches of transferor banks (Dena Bank and Vijaya Bank) will continue to have old signages for a few more months, said a senior Dena Bank official, adding the 'Now - Bank of Baroda' line will be incorporated in them. According to the Government's Gazette Notification issued on January 2, upon amalgamation of the transferor bank 1 (Vijaya Bank) and the transferor bank 2 (Dena Bank) with the transferee bank (BoB), the surviving entity being the transferee bank shall be known as Bank of Baroda.

Dena Bank and Vijaya Bank will merge with BoB to form India's second-largest public sector bank.

The amalgamation will be the first-ever three-way consolidation of banks in India. The Finance Ministry, in a statement in January, said the amalgamated bank will be better equipped in the changing environment to meet the credit needs of a growing economy, absorb shocks, and possess the capacity to raise resources.

Economies of scale and wider scope would position the amalgamated bank for improved profitability, wider product offerings, and adoption of technology and best practices across the amalgamating entities for cost-efficiency, improved risk management, and financial inclusion, through wider reach.

It would also enable the creation of a bank with scale comparable to global banks and capable of competing effectively in India and globally.

Core strengths

"The strength of individual banks, such as Dena Bank's relatively higher access to low-cost CASA (current account, savings account) deposits, Vijaya Bank's profitability and availability of capital for growth, and the extensive and global network and offerings of BoB, will translate into advantages in terms of market reach, operational efficiencies, and the ability to support a wider offering of products and services," the statement said.

With kind regards,

Yours Comradely,



(**N. GOVINDRAJULU**)
GENERAL SECRETARY