



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

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Dear Comrades,

14 th May , 2019

**News of Interest 14<sup>th</sup> MAY**

**QUOTE OF THE DAY**

“CHOOSING TO BE POSITIVE AND HAVING A GRATEFUL ATTITUDE IS GOING TO DETERMINE HOW YOU'RE GOING TO LIVE YOUR LIFE.” JOEL OSTEEN

**HIGHLIGHTS**

1. ORIENTAL BANK OF COMMERCE POSTS RS 201 CR PROFIT IN Q4; NPAS DOWN AT 13%
2. UNITED BANK OF INDIA, AFTER SUCCESSIVE LOSS, POSTS RS 95 CR PROFIT FOR Q4
3. JET AIRWAYS CEO TELLS GOVT: NO CLARITY ON SALARIES TILL RESOLUTION OUTCOME
4. LOAN DEFAULTERS HAVE NO RIGHT TO BE REPRESENTED BY LAWYER IN 'IN-HOUSE' PROCEEDINGS OF BANKS: SC
5. KARNATAKA BANK NET RISES TO ₹62 CR IN Q4

**Business Standard**

**1. Oriental Bank of Commerce posts Rs 201 cr profit in Q4; NPAs down at 13%**

Total income of the bank during the January-March quarter rose to Rs 5,711.92 crore from Rs 4,689.12 crore in the same quarter a year ago

Press Trust of India

Public sector lender Oriental Bank of Commerce (OBC) Monday posted a net profit of Rs 201.50 crore for the quarter ended March 2019 against a loss of Rs 1,650.22 crore during the corresponding quarter of the last fiscal.

Total income of the bank during the January-March quarter rose to Rs 5,711.92 crore from Rs 4,689.12 crore in the same quarter a year ago, OBC said in a regulatory filing.

Asset quality of the bank improved with gross non-performing assets (NPAs) or bad loans coming down to 12.66 per cent of the net advances as on March 31, 2019, against 17.63 per cent reported a year ago.

Net NPAs as a percentage of gross advances at the end of March 2019 stood at 5.93 per cent, down from 10.48 per cent a year ago.

## **2. United Bank of India, after successive loss, posts Rs 95 cr profit for Q4**

The gross NPA of the bank as a percentage of total lending in the last quarter stood at 16.48 per cent in the last quarter, against 24.10 per cent in the same period of the previous financial year

### Namrata Acharya

United Bank of India, after successive quarters of loss, on Monday posted a net profit of Rs 95.18 crore for Q4 of FY19, against a net loss of Rs 261 crore in the same period of the last financial year. In Q3 of FY19, the bank had posted a net loss of about Rs 1,139 crore.

"We majorly focused on recovery of written off assets. We could recover around Rs 343 crore this financial year through recovery from sale of written off assets, against about Rs 107 crore in the last financial year, which was a major contributor to profitability," Ashok Kumar Pradhan, MD & CEO of United Bank of India told Business Standard.

Gross non-performing assets (NPA) of the bank as a percentage of total lending in the last quarter stood at 16.48 per cent in the last quarter, against 24.10 per cent in the same period of the previous financial year. The percentage of net NPA stood at 8.67 per cent in the last quarter, against 16.49 per cent in the same period of the previous financial year.

The bank board has decided to raise equity capital of about Rs 1,500 crore in the present financial year by way of public issue, rights issue or qualified institutional placement (QIP).

The bank has provided an additional about Rs 424 crore for the first and second list of companies referred to NCLT (National Company Law Tribunal), under IBC (Insolvency and Bankruptcy Code).

In the last quarter, the bank also raised about Rs 31 crore by way of ESPS (Employee Share Purchase Scheme).

The bank adopted Differentiated Banking approach with RAM (Retail-Agriculture and MSME) focus, which is expected to account for 60 per cent of the bank's credit portfolio by 2020, the bank said in a press release. The bank established 36 Retail and MSME hubs across the country.

"In order to conserve capital, the bank concentrated on fresh exposures of higher rated corporate, and PSU borrowers, ensuring secured exposures to the extent possible. Credit limits were reviewed from time to time and unutilized limits are cancelled to obviate the need of capital charge on such loans," the bank said in a press release.

Further, the bank rolled out a liberal OTS (One Time Settlement) scheme, which was non-discriminating and non-discretionary, to expedite recovery efforts in NPA and written-off accounts, the bank said.

## **Financial Express**

### **3. Jet Airways CEO tells govt: No clarity on salaries till resolution outcome**

By: [FE Bureau](#)

Vinay Dube, CEO of the grounded carrier, Jet Airways, on Monday told the ministry of labour and employment officials that there can be no clarity on the issue of payment of salaries to the employees till the outcome of the bank-led resolution process.

Vinay Dube, CEO of the grounded carrier, Jet Airways, on Monday told the ministry of Labour and employment officials that there can be no clarity on the issue of payment of salaries to the employees till the outcome of the bank-led resolution process. Dube was called by the ministry officials to provide clarity as to by when the salaries can be paid.

"Where we stand is dependent on how the bid process goes," Dube said. "The lenders are leading this. We await any kind of formal intimation from the lenders on who the bids are from, what the details are, and the steps we can take jointly."

The meeting was called following a letter written by the pilots of the airline to the ministry on May 8, seeking redressal of their held back wages. The airline had delayed salary payments since August 2018, and all employees have gone without pay since March of this year. On April 17, Jet Airways temporarily halted operations after lenders refused the airline's request to extend emergency funding to continue operations.

Following the airline's failure to meet its payment obligations to lenders, Naresh Goyal, founder and former chairman of Jet Airways, stepped down from the board. Lenders took control of Jet Airways and initiated the debt resolution process. On April 8, SBI Caps, the consultant for the resolution process, invited expression-of-interest documents from interested bidders for the "change in management and control of Jet Airways".

On May 10, minutes before the deadline for bids ended, Abu Dhabi-based Etihad Airways emerged as the sole bidder, but for a minority stake in the ailing carrier. An Indian partner for Etihad Airways is yet to be found, Rajnish Kumar, SBI chairman, told television channels on Monday. Lenders also received unsolicited bids from several parties.

Since the grounding of Jet Airways, the ministry of civil aviation has given away slots previously allotted to the airline in major airports to other airlines. Dube, along with other officials of the airline, met various ministry officials seeking support to pay salaries and requesting that slots for Jet Airways be retained. On the issue of slots

being reallocated, Dube said, the ministry of civil aviation has assured him "the slots will be available for Jet Airways as and when we are able to resurrect the airline".

## **Economic Times**

### **4. Loan defaulters have no right to be represented by lawyer in 'in-house' proceedings of banks: SC**

The lending bank had contended that the defaulting borrower does not need the assistance of lawyers in the proceedings as no complex legal questions are decided in declaring a person a willful defaulter.

### **The Supreme Court has held that a person has no "right" to be represented by a lawyer in "in-house" proceedings initiated by banks or financial institutions to declare him willful defaulters for non-payment of dues.**

A bench comprising Justices R F Nariman and Vineet Saran was dealing with the question whether a person is entitled to be represented by a lawyer of his choice in the process undertaken by banks to declare him a "wilful defaulter" under a circular issued by the Reserve Bank (RBI).

"We are of the view that there is no right to be represented by a lawyer in the in-house proceedings contained in...the Revised Circular dated July 01, 2015, as it is clear that the events of wilful default as mentioned...would only relate to the individual facts of each case.

"What has typically to be discovered is whether a unit has defaulted in making its payment obligations even when it has the capacity to honour the said obligations; or that it has borrowed funds which are diverted for other purposes, or siphoned off funds so that the funds have not been utilised for the specific purpose for which the finance was made available," the top court said in its verdict delivered on last Wednesday.

It said that the question whether a default was "intentional, deliberate, and calculated" was the question of fact which can be dealt by the borrower or the lender and the assistance of lawyer was not needed.

The apex court allowed the appeal of State Bank of India against the Delhi High Court order which had held that the firm, Jah Developers Pvt. Ltd., can be represented by lawyers in the in-house proceeding of the lending bank to declare it a willful defaulter.

Setting aside the high court order, the apex court ordered that the bank must give to the borrower the copy of the order of the first in-house committee which conducted the proceedings to declare the firm a willful defaulter.

"The borrower can then represent against such order within a period of 15 days to the Review Committee...The Review Committee must then pass a reasoned order on such representation which must then be served on the borrower, the apex court said.

The lending bank had contended that the defaulting borrower does not need the assistance of lawyers in the proceedings as no complex legal questions are decided in declaring a person a willful defaulter.

## **Business Line**

### **5. Karnataka Bank net rises to ₹62 cr in Q4**

Recommends Rs 3.50 per share dividend

Karnataka Bank registered a net profit of ₹61.73 crore in the fourth quarter of 2018-19, up from ₹11 crore in the corresponding period of the previous fiscal, recording a growth of 461.18 per cent.

The bank recorded a net profit of ₹477.24 crore for 2018-19, against ₹452.26 crore in 2017-18, posting a growth of 46.57 per cent.

The board of directors of the bank, which met on Monday to consider the audited financial result for 2018-19, proposed a dividend of 35 per cent for 2018-19.

Speaking to *Business Line* after the board meeting, Mahabaleshwara MS, Managing Director and CEO of the bank, attributed the growth in net profit to the reduction in the provision for non-performing assets (NPAs) during the year. "We had made a provision of ₹1,018 crore during 2017-18. The provision was at ₹763 crore during 2018-19," he said.

Gross NPAs of the bank moderated to 4.41 per cent during Q4 of 2018-19, against 4.92 per cent in the corresponding period of 2017-18. The net NPA was contained below 3 per cent at 2.95 per cent (2.96 per cent) during the period, he said.

During Q4 of 2018-19, slippage was at ₹402 crore and upgradation at ₹292 crore. However, the slippage stood at ₹1,038 crore, and upgradation at ₹446 crore during the March quarter of 2017-18.

Net interest income (NII) of the bank stood at ₹480.88 crore (₹541.51 crore), and other income at ₹290.59 crore (₹294.51 crore) during Q4 of 2018-19. Net interest margin came down to 2.87 per cent (3.54 per cent) during the quarter.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)  
GENERAL SECRETARY**