



More promoters may take up managerial roles to be part of NPA resolution process

In the last couple of weeks, at least three of the 12 companies including Bhushan Steel, Amtek Auto, Era Infrastructure Engineering have seen immediate changes in their top management.



Beena Parmar Moneycontrol News

More defaulting companies may re-designate the promoters to core managerial functions in order to be a part of the resolution process under the Insolvency and Bankruptcy Code. Bankers say action may be taken if the resolution process is disrupted.

In the last couple of weeks, at least three of the 12 companies that were sent for immediate resolution at the National Company Law Tribunal (NCLT), including Bhushan Steel, Amtek Auto, Era Infrastructure Engineering, have seen immediate changes in their top management with quick changes in promoters taking up managerial roles.

Amtek Auto, one of the 12 companies, appointed John Ernest Flintham and Sanjiv Bhasin who stepped down from the Board a day prior to play the role of president of the company and Kunal Sabharwal as Group CFO

with immediate effect to get "involved in the day to day affairs of the company when the company also needs it the most".

It has also postponed (till further notice) their Board meeting, which was due to be held on July 11, pending the resolution process through the case filed at the NCLT.

Many other companies may look at doing it, especially the operating companies. Those companies with a revival plan still underway, may do it to preserve value. Those which have been non-functional may not.

Sunil Srivastava, Deputy Managing Director of State Bank of India said, "They definitely have the right to appoint their candidates and as long as they facilitate the proceedings...we have no issues. But if they interfere and disrupt resolution process, the creditors' committee or we may ask the resolution professionals to take action as may be required."

With bankruptcy proceedings due to be started this month, Bhushan Steel, on July 5 got Neeraj Singhal, its Vice-Chairman and Managing Director to take on the chief executive officer's (CEO) role. The same day, two other whole-time directors, Rahul Sen Gupta and PK Aggarwal, got into executive vice-president roles, the company said in a notice to stock exchanges.

On similar lines, Era Infra Engineering, part of the defaulters' coterie to be taken to IBC, gave additional charge of a CEO to its managing director Hem Singh Bharana to supervise and manage the operations of the firm.

Another senior public sector bank executive said, "If bankers try to meddle in the process, it may only work against the company."

Kumar Saurabh Singh, Partner at law firm Khaitan and Co. said, "In cases where changes are happening they want to ensure there is no disruption in the company. Today, if a Deloitte or EY comes into the company (as IRP) to manage affairs, do they have the sectoral capabilities to run a steel or power company? Earlier, it would have been possible but today it may be different." He also said that in the interim, management not being there can dent the functioning. The CEO cannot over-ride the IRP but it is done to largely to support the IRP. If at all there is a conflict, the IRP can take a call but having a vacuum in the company is not good. So this is largely to maintain continuity of the functioning and assist the resolution.

Kalpesh Mehta, Partner at Deloitte, said, "Where it is the case of companies having genuine asset and cash flow mismatches, it would be

helpful to assist the business but in cases where promoters have diverted funds, there could be interference. In any case, the JLF (creditors' committee or the IRP) will have more authority, so they can take a call and they could also ask the promoter CEOs to sit outside."

Once a default case is admitted at the NCLT by a bank, the bankers or creditors' committee takes charge and appoints an insolvency resolution professional which then takes control of the company's management and starts the resolution process to be completed within 6-9 months. If the resolution fails, the company goes for liquidation.

According to Singh, IRPs may be having the audit or investment banking expertise but do not have the requisite strength to run a company. Changing management in the interim is not a good idea. Hence, the CEOs are integral to the day-to-day functioning and not just a part of the company's Board.

Non-executive chairman can be part of bank's audit committee: RBI

PTI| Jul 13, 2017, ECONOMY TIMES



MUMBAI: Reserve Bank today said the non-executive chairman of a bank can also be nominated to the audit committee of board of directors.

Earlier, any one of the non-executive/non-official directors was supposed to chair the audit committee of the board of the directors of a public sector bank.

In 2015, the government had bifurcated the posts of chairman and managing directors in Public Sector Banks (PSBs). While the chairman became responsible for overall policy directions, managing director and

chief executive officer (MD&CEO) became the executive head, accountable for day-to-day functioning of bank.

"It is clarified that in banks where the board of directors is chaired by a non-executive Chairman, there will not be any restriction if he/she is also nominated to the audit committee of the board of directors," RBI said in a notification.

Congress leader P Chidambaram ribs RBI for buying note counting machines after 8 months

Senior Congress leader P Chidambaram on Thursday took a dig at the RBI for buying note- counting machines eight months after demonetisation and asked the federal bank if it had heard of "leasing" equipment.



Senior Congress leader P Chidambaram on Thursday took a dig at the RBI for buying note- counting machines eight months after demonetisation and asked the federal bank if it had heard of "leasing" equipment.

"RBI buying note counting machines 8 months after demonetisation! Has RBI not heard of 'leasing'," he tweeted.

Chidambaram also poked fun at the NDA's Mudra scheme, which the government claims have provided self-employment opportunities to over 7 crore people, especially the youth.

"7.28 crore youth self-employed under MUDRA loan scheme' -- that is a title of mythological serial beginning today. Scriptwriters may apply," he posted on Twitter.

The former finance minister has been critical of the government's demonetisation decision and has said it has hit the country's economy and growth prospects.

RBI Governor Urjit Patel, while appearing before a Parliamentary panel, is understood to have said the deposited banned notes were still being counted and therefore he was not in a position to give a figure on the scrapped currency that was back in the system.

Appearing before the Standing Committee on Finance yesterday, Patel did not provide any "specific number" on the amount of money that had been deposited post-demonetisation.

Prime Minister Narendra Modi had on November 8 banned 500-rupee and 1000-rupee currency notes.

PERFORMANCE OF PUBLIC SECTOR BANKS 31.3.2017						
(Amt. in Rs. Crores)						
S.No.	Bank	Deposits	Advances	Total Business	Capital	Govt. Holding
1	Allahabad Bank	201870.22	150752.70	352622.92	743.69	65.92
2	Andhra Bank	195441.25	136846.33	332287.58	681.16	61.26
3	Bank of Baroda	601675.17	383259.22	984934.39	462.09	59.24
4	Bank of India	542352.11	368328.76	910680.87	1055.43	73.72
5	Bank of Maharashtra	139052.84	95515.23	234568.07	1168.33	81.61
6	Canara Bank	495266.34	342320.14	837586.48	597.29	66.30
7	Central Bank of India	296671.00	153008.00	449679.00	1902.17	81.28
8	Corporation Bank	220550.55	140356.79	360907.34	2294.11	70.76
9	Dena Bank	113942.77	72574.62	186517.39	787.15	68.55
10	Indian bank	182509.00	132145.00	314654.00	480.00	82.10
11	Indian Overseas Bank	211342.63	140458.62	351801.25	2454.73	79.56
12	Oriental Bk of Comm	219339.39	157706.00	377045.39	346.17	58.68
13	Punjab & Sind Bank	85540.16	58334.53	143874.69	400.41	79.62
14	Punjab National Bank	621704.02	419493.15	1041197.17	425.59	65.01
15	Syndicate Bank	260547.95	199669.35	460217.30	904.54	72.92
16	UCO Bank	201284.51	119724.45	321008.96	1559.73	76.67
17	Union Bank of India	378391.58	286466.58	664858.16	687.44	63.44
18	United Bank of India	126939.25	66139.30	193078.55	1394.36	85.23
19	Vijaya Bank	133011.95	94548.88	227560.83	998.85	70.33
20	IDBI Bank	268538.10	190825.93	459364.03	2058.82	73.98
	TOTAL	5495970.79	3708473.58	9204444.37	21402.06	

PERFORMANCE OF PUBLIC SECTOR BANKS 31. 3.2017

S.No.	Bank	Opr. Profit	Provisions	Net Profit
1	Allahabad Bank	3908.82	4472.00	-279.00
2	Andhra Bank	4387.95	4028.62	174.34
3	Bank of Baroda	12464.69	9440.35	1777.41
4	Bank of India	9823.97	12236.14	-2412.16
5	Bank of Maharashtra	1827.07	3970.14	-1372.51
6	Canara Bank	9156.46	7410.18	1746.28
7	Central Bank of India	3089.00	5528.00	-2439.00
8	Corporation Bank	4446.31	3603.16	565.81
9	Dena Bank	1390.21	2665.57	-863.63
10	Indian bank	4006.70	2240.94	1412.91
11	Indian Overseas Bank	3650.21	7031.14	-3416.74
12	Oriental Bank of Commerce	4170.13	5693.31	-1094.07
13	Punjab & Sind Bank	1241.88	991.41	201.08
14	Punjab National Bank	14979.80	13439.71	1187.24
15	Syndicate Bank	4393.13	3581.27	517.45
16	UCO Bank	2926.08	4765.91	-1850.67
17	Union Bank of India	7430.09	7087.50	555.21
18	United Bank of India	1552.89	2467.10	219.51
19	Vijaya Bank	2421.15	1506.67	750.48
20	IDBI Bank	4709.99	13208.22	-5015.90
	TOTAL	101976.53	115367.34	217343.87

S.No.	Bank	Gross NPA	%	NPA Prov	Net NPA	%	Capital Adequacy
1	Allahabad Bank	20687.83	13.09	4552.37	13433.51	8.92	11.61
2	Andhra Bank	17669.98	12.25	3834.04	10354.81	7.57	12.38
3	Bank of Baroda	42718.70	10.46	7824.03	18080.18	4.72	12.24
4	Bank of India	52254.33	13.20	11802.05	25370.83	6.89	12.62
5	Bank of Maharashtra	17188.71	16.93	3800.20	11229.56	11.76	11.18
6	Canara Bank	34406.74	9.66	7576.27	21738.61	6.34	12.96
7	Central Bank of India	27251.00	17.81	6537.00	14218.00	10.20	10.95
8	Corporation Bank	17045.22	11.70	3508.66	11692.18	8.33	11.32
9	Dena Bank	12618.73	16.27	2457.75	7735.12	10.66	11.39
10	Indian bank	9893.29	7.49	2096.32	5634.71	4.41	13.87
11	Indian Overseas Bank	35098.25	22.39	6948.00	19749.32	13.99	10.50
12	Oriental Bank of Comm	22859.27	13.73	6315.19	14117.83	8.96	11.64
13	Punjab & Sind Bank	6297.59	10.45	1106.33	4375.08	7.51	11.05
14	Punjab National Bank	55370.45	12.53	13580.39	32702.11	7.81	11.98
15	Syndicate Bank	17609.31	8.50	3545.00	10410.98	5.21	12.03
16	UCO Bank	22540.95	17.12	4414.68	10703.39	8.94	10.93
17	Union Bank of India	33712.28	11.17	6031.90	18832.10	6.57	11.79
18	United Bank of India	10951.99	15.53	2001.78	6591.85	10.02	11.14
19	Vijaya Bank	6381.78	6.59	1347.34	4118.16	4.36	12.73
20	IDBI Bank	44752.59	21.25	9379.13	25205.80	13.21	10.80
	TOTAL	507308.99		108658.43	286294.13		

India ranks 116 out of 157 nations on SDG index

PTI| Jul 13, 2017,

UNITED NATIONS: India is ranked 116 out of 157 nations on a global index that assesses the performance of countries towards achieving the ambitious sustainable development goals (SDGs).

The SDG Index and Dashboards Report produced by the Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung shows that world leaders need to strengthen their joint efforts to realise the 17 global goals.

"Not only does a rising trend of nationalism and protectionism impede the implementation of the goals, but as the report shows, industrialised countries are not serving as role models," the report added.

It said many of the richest countries in the world are nowhere near achieving the global policy objectives but also deteriorate the implementation process for poorer countries because of negative spillover effects.

India is ranked 116th on the index with a score of 58.1, behind countries such as Nepal, Iran, Sri Lanka, Bhutan and China. Pakistan is ranked 122.

The report said that the countries which are closest to fulfilling the goals are not the biggest economies but comparably small, developed countries.

Sweden leads the list, followed by Denmark and Finland. Among the G7 countries, only Germany and France can be found among the top ten performers. The United States ranks 42nd on the Index, while Russia and China rank 62nd and 71st respectively.

"One of the greatest obstacles to achieving the global goals for high-income countries are poor performances regarding sustainable consumption and production. All countries that score lowest on electronic-waste generation, for example, are high-income countries," it said.

Bertelsmann Stiftung chairman and CEO Aart De Geus said the report's findings show that politicians, businesses and society altogether must urgently intensify their efforts and commit themselves to this agenda.

"SDG Index and Dashboards highlight the need for urgent action on the part of G20 countries in making sustainable development a reality both within and beyond their borders. If the world is to achieve the SDGs, all countries must take up the goals as part of their national development strategies, and ensure that they take responsibility for their impact on the rest of the world," said Jeffrey D Sachs, Director of the SDSN.

The SDG Index and Dashboard collect available data for 157 countries to assess where each country stands in 2017 with regard to achieving the SDGs.

The SDG Index ranks countries based on their performance across the 17 Sustainable Development Goals.

AIBEA THIS DAY – 13 JULY	
1958	Central Committee of AIBEA meets at Rajkot
1991	Second Conference of AIBOA at Madras. R J Sridharan elected as General Secretary. P K Menon, as President.
1996	10th Conference of All India UCO Bank Employees' Federation at Madras. Com. Indrajit Gupta inaugurates.
2008	National Conference of Ceylon Bank Employees Union. AIBEA calls to organize Financial Sector Unions in Asia.

AIBEA THIS DAY – 14 JULY	
1976	Central Committee of AIBEA meets at Delhi.
2005	AIBEA General Council Meets at Bangalore.
1988	Convention against IR Bill taking away Trade Union rights etc., Delhi. AIBEA plays leading role.



ALL INDIA BANK EMPLOYEES' ASSOCIATION

Central Office: PRABHAT NIVAS

Singapore Plaza, 164, Linghi Chetty Street, Chennai-600001

Phone: 2535 1522 Fax: 2535 8853, 4500 2191

e mail ~ chv.aibea@gmail.com

Web: www.aibea.in