AIBEA's Banking News

19, 20, 21, MARCH 2020

NEWS BULLETIN FROM ALL INDIA BANK EMPLOYEES' ASSOCIATION

Our Strike on 27th March deferred

But our concerns against merger of Banks remain

Looking to increasing health risk and alert on account of COVID19 and Corona virus and taking cognisance of Prime Minister's broadcast to the nation tonight on this issue, and the need to stand with the people at large at this hour of national health threat scenario, and the panic and fear prevailing amongst the people, it is desirable to review our strike call and hence it has been decided to defer our proposed All India Bank Strike on 27th March, 2020.

All our unions and members are requested to take note and maintain normalcy. All our agitational programmes are cancelled forthwith.

AIBEA - AIBOA

About 25 million jobs could be lost worldwide due to coronavirus: UN

PTI
UNITED NATIONS, MARCH 19, 2020
THE HINDU

It also proposes fiscal and monetary policy measures, and lending and financial support for specific economic sectors

Nearly 25 million jobs could be lost worldwide due to the coronavirus pandemic, but an internationally coordinated policy response can help lower the impact on global unemployment, according to a UN agency.

In its preliminary assessment report titled "COVID-19 and world of work: Impacts and responses", the International Labour Organization (ILO) calls for urgent, large-scale and coordinated measures across three pillars — protecting workers in the workplace, stimulating the economy and employment, and supporting jobs and incomes.

The ILO said these measures include extending social protection, supporting employment retention (i.e short-time work, paid leave, other subsidies), and financial and tax relief, including for micro, small and medium-sized enterprises.

It also proposes fiscal and monetary policy measures, and lending and financial support for specific economic sectors.

The economic and labour crisis created by the COVID-19 pandemic could increase global unemployment by almost 25 million, the ILO said.

"However, if we see an internationally coordinated policy response, as happened in the global financial crisis of 2008/9, then the impact on global unemployment could be significantly lower," it added.

The report provides different scenarios of how unemployment and underemployment will be impacted due to the coronavirus.

Based on different scenarios for the impact of COVID-19 on global GDP growth, the ILO estimates indicate a rise in global unemployment of between 5.3 million ("low" scenario) and 24.7 million ("high" scenario) from a base level of 188 million in 2019. By comparison, the 2008-09 global financial crisis increased global unemployment by 22 million.

Underemployment is also expected to increase on a large scale, as the economic consequences of the virus outbreak translate into reductions in working hours and wages.

Self-employment in developing countries, which often serves to cushion the impact of changes, may not do so this time because of restrictions on the movement of people (e.g. service providers) and goods, it said.

The note said that falls in employment also meant large income losses for workers to the tune of between $860 billion and $3.4 trillion by the end of 2020. This will translate into falls in consumption of goods and services, in turn affecting the prospects for businesses and economies.

Working poverty is expected to increase significantly too, as "the strain on incomes resulting from the decline in economic activity will devastate workers close to or below the poverty line," the ILO said.

It estimates that between 8.8 and 35 million additional people will be in working poverty worldwide, compared to the original estimate for 2020 (which projected a decline of 14 million worldwide).

Underscoring the need for swift and coordinated policy responses, ILO Director-General Guy Ryder said "this is no longer only a global health crisis, it is also a major labour market and economic crisis that is having a huge impact on people."

"In 2008, the world presented a united front to address the consequences of the global financial crisis, and the worst was averted. We need that kind of leadership and resolve now," he added.

The ILO note warns that certain groups will be disproportionately affected by the jobs crisis, which could increase inequality.

These include people in less protected and low-paid jobs, particularly youth and older workers and women and migrants too, who are vulnerable due to the lack of social protection and rights, and women tend to be over-represented in low-paid jobs and affected sectors.

"In times of crisis like the current one, we have two key tools that can help mitigate the damage and restore public confidence. Firstly, social dialogue, engaging with workers and employers and their representatives, is vital for building public trust and support for the measures that we need to overcome this crisis.

"Secondly, international labour standards provide a tried-and-trusted foundation for policy responses that focus on a recovery that is sustainable and equitable. Everything needs to be done to minimise the damage to people at this difficult time," Ryder said.

The coronavirus outbreak has killed 8,809 people and infected 218,631 across 157 countries and territories, according to a tracker maintained by Johns Hopkins University.

Covid-19 : Banks urge public to avoid visiting branches, use digital services

Chennai | March 19, 2020

THE HINDU BusinessLine

Although there is no evidence yet on the community transmission of coronavirus (Covid-19) in India, banks are not leaving any chance in their effort to contain the spread of the disease. From SMS alerts to email and social media campaigns, public and private sector banks are urging their customers to refrain from visiting their branches to avoid the spread of the virus, and to use mobile and internet banking services to reduce currency transactions.

In a social media post, the country's largest public sector lender State Bank of India (SBI) asked its customers to use electronic payment options like RTGS, NEFT, internet banking and mobile banking solutions. It also urged customers to minimise face-to-face meeting and use credit and debit card for payments instead of currency.

"Avoid Walk-in, start login", the lender's social media post read.

As the coronavirus is believed to stay on surfaces for days in their fully active state, banks are also urging its customers to avoid currency note transactions and switch to contactless payment methods.

In an email sent to its customers, Axis Bank MD & CEO Amitabh Chaudhry, said “While we are always ‘Dil se Open’ for you at all our branches, you may want to avoid going to a branch at this juncture. This is a great time for you to try our best-in-class digital solutions. Axis Bank has digital channels like Internet Banking, Mobile Apps, Chatbot, etc, which enable our customers to reach the Bank anytime and from anywhere.”

“We are sanitizing and fumigating our premises frequently and providing access to alcohol-based hand sanitizers across locations,” Chaudhry wrote adding that bank is constantly monitoring the evolving situation around Covid-19 and taking proactive steps to safeguard all employees and customers visiting our offices, branches and ATMs.

In an SMS alert to its customers Kotak Mahindra Bank said, "..due to Covid-19 and as a measure of abundant caution, our offices will operate with reduced staff. We encourage you to use Mobile/Net Banking for 24/7 access to your accounts."

IDBI and Lakshmi Vilas Bank have also sent SMS alerts to its customers urging them to use its digital banking, mobile apps and credit and debit cards and avoid visit to their branches.

The Reserve Bank of India on Monday urged the general public to utilise the digital payment options. "RBI wishes to bring to the notice of the general public that non-cash digital payment options (like NEFT, IMPS, UPI and BBPS) are available round the clock to facilitate fund transfers, purchase of goods / services, payment of bills, etc," the Central bank said in a press statement.

"In the context of the efforts to limit the fallout of the corona virus pandemic by avoiding social contact and visit to public places, public can use these modes of digital payment from the convenience of their homes through online channels like mobile banking, internet banking, cards, etc. and avoid using cash which may require going to crowded places for sending money or paying bills," RBI's statement added.

Yes Bank to raise Rs 20,000 crore in maiden effort to raise funds post SBI-led bailout

Kshitij Bhargava | March 20, 2020

THE FINANCIAL EXPRESS

In its maiden effort to gather funds after being bailed out, cash-starved private lender Yes Bank is planning to raise Rs 20,000 crore via certificate of deposits from institutional investors, including banks

Yes Bank's capital raising effort has got a thumbs up from rating agency Crisil, which has assigned an A2 rating to the program

In its maiden effort to gather funds after being bailed out, cash-starved private lender Yes Bank is planning to raise Rs 20,000 crore via certificate of deposits from institutional investors, including banks. The effort to raise funds comes after the Reserve Bank of India (RBI) extended a Rs 60,000 crore line of credit to the lender who has lost more Rs 43,000 crore worth of deposits in the third quarter of this fiscal. However, the RBI line of credit is only available to Yes Bank as the last resort. Yes Bank's capital raising effort has got a thumbs up from rating agency Crisil, which has assigned an A2 rating to the program.

Crisil's rating comes with the hope that India's largest public sector bank, State Bank of India (SBI) will continue to provide systematic support to

Yes Bank. SBI along with private investors, ICICI Bank, HDFC, Axis Bank, Kotak Mahindra Bank, IDFC Bank and Bandhan Bank invested in the struggling Yes bank to the tune of Rs 10,000 crore by picking up equity shares at Rs 10 per share. This effort to raise Rs 20,000 crore will be the first independent fund-raising effort the bank will undertake since its board was superseded by the RBI, placing it under a moratorium and limiting withdrawals to Rs 50,000 per depositor.

"CRISIL's rating centrally factors in the extraordinary systemic support from key stakeholders. All the key stakeholders, including the Ministry of Finance, RBI, and SBI have, over the past few days, reiterated in various forums that depositors' money in Yes Bank is safe and in case of any requirement, they will continue to ensure the safety of deposits through various measures," the rating agency said. Crisil's strong rating for Yes Bank's certificate of deposits stems from the expectation that SBI will invest in the scheme. Rajnish Kumar, Chairman SBI, announced earlier in the week that the shares allotted to SBI will not be sold by the bank for the entire three-year lock-in period.

Yes Bank has witnessed a steady outflow of deposits in the past few quarters given the capital raising challenges faced by the bank. Between December 31, 2019, and March 5, 2020, the deposit base shrunk by around Rs 28,000 crore. Since March 31, 2018, the deposit base has declined by over Rs 63,000 crore, Crisil noted. Asset quality of the lender still remains an issue, with gross non-performing assets (NPA) shooting up to 18.9 per cent in the third quarter. However, Prashant Kumar the soon-to-be Managing Director and CEO of the bank claimed that depositors were confident the bank would soon be back on its feet, adding that just before the moratorium was lifted there was more cash inflow than outflow from customers.

Anil Ambani appears before ED in YES Bank case

Our Bureau Mumbai | March 20, 2020

BusinessLine

Reliance Group Chairman Anil Ambani met ED officials on Thursday to clarify on the Reliance Group's exposure to YES Bank.

He reiterated that the Reliance Group's entire exposure to YES Bank is fully secured and transacted in the ordinary course of business. "All transactions between the Reliance Group and YES Bank are in compliance with the law and financial regulations," said a statement from the group.

Ambani also clarified to the agency that Reliance Group has no direct or indirect exposure to Rana Kapoor or his wife or daughters or any entities controlled by Rana Kapoor or his family.

"Reliance Group is committed to honour repayments of all its borrowings from YES Bank through its various asset monetization programmes. Mr. Ambani, has assured that the Reliance Group will continue to extend their full support and cooperation to all authorities," the statement added.

The Enforcement Directorate had summoned Reliance Group Chairman in connection with a money-laundering probe against YES Bank promoter Rana Kapoor.

Auto industry crippled as Covid-19 terrorises the world

Murali Gopalan | March 19, 2020

BusinessLine

The auto industry has already factored in the grim reality that growth will be little to write home about in the April-September period COMMENT

India has added problems on its plate, such as unsold BS-IV stocks

The Ides of March is one of the most famous lines from William Shakespeare’s masterpiece, ***Julius Caesar***.

It is a warning from an astrologer to the Roman emperor (‘Caesar, Beware the Ides of March!) that he had better be careful on that day. And even while Caesar dismisses this as a mere rant, he ends up being assassinated on precisely the same date, March 15, way back in 44 BC.

Cut to the present and the automotive industry finds itself in the same Ides of March situation. The month has been traumatic with every passing day bringing in grimmer news to the world. Quite unlike the horde of conspirators who killed Julius Caesar over 2,000 years ago, this is a sole assassin going by the name of Covid-19 that has single-handedly brought the world down to its knees.

Big brands like Volkswagen, Fiat Chrysler, BMW, Daimler, Groupe PSA, Renault and Toyota have cut back operations in Europe, which is now facing the brunt of this new coronavirus pandemic. Italy and Spain have been the worst affected while France is preparing for a tough haul ahead.

As humanity finds itself at its most vulnerable levels in recent times with the death toll from Covid-19 rising across the world, economies have virtually collapsed. Never before has anything like this ever been experienced when all the advancements in science cannot cope with this invisible terror that has people locked indoors in complete paranoia.

While industries like aviation and hotels have been the worst hit with planes and rooms going empty, the auto industry is also facing the heat. In Europe and the US, where Covid-19 is wreaking havoc, the last place people want to go to is a crowded car dealership.

China, where the story began some months ago, has apparently managed to keep things in check, at least for now. February car sales were down by over 80 per cent and March is going to be no different, with people just beginning to head back to work.

The Chinese slowdown

China, in any case, was going through an economic slowdown and when Covid-19 reared its lethal head in Wuhan, alarm bells began ringing. Across the world, automakers had invested big bucks in the country and, almost overnight, they found themselves skating on thin ice. Supply of components dried up and the likes of Hyundai had to shut down operations for a while with its Chinese umbilical chord cut off abruptly.

Worse, as Covid-19 now spreads to Europe and the US, economic growth has come to a virtual standstill. For the auto industry, it also means that the supply chain ecosystem is now in pause mode. Borders are sealed and the top priority for all companies is quite naturally to take care of their employees and ensure that they are safe.

India has not been spared either and even while the Bharat Stage-VI emissions era is due to kick off in barely 10 days from now, stakeholders are a worried lot. From their point of view, everything is coming together at one go and threatening to throw things out of gear.

Decline in footfalls

With Covid-19 constantly in the news and various State governments announcing lockdown measures, footfalls at dealerships have naturally reduced drastically. This means poor offtake and comes at a time when there are substantial BS-IV two-wheeler stocks lying unsold.

It is only too well known that these will be as good as junk from April 1 when the new emission norms come into play. However, what has compounded the industry’s woes is that many State RTOs have drawn up earlier registration cutoff dates ranging from late-February to mid-March. Hardly a handful of them have complied by the Supreme Court’s directive of March 31 as the last date.

It is only natural therefore that the court’s intervention has been sought again to resolve this crisis since unsold stocks will end up being a huge burden on dealers. Manufacturers could consider exporting these to countries which are still in the BS-IV zone but it is not as if this can be done overnight.

In fact, this seems almost an impossible task at this point in time with the world now hostage to Covid-19. Every country has locked itself out and till the crisis blows over, there is no way that overseas shipments can even be contemplated.

Whether the court will agree to extend the registration deadline for BS-IV stocks remain to be seen even while industry experts insist that this is "highly unlikely and next to impossible".

Job losses

Even while India has also been doing its bit to curb the spread of Covid-19, it is all too clear that growth has been severely impacted. Should the situation persist longer, it will end up being catastrophic especially in terms of job losses.

The auto industry has seen this happening over the last year due to the economic slowdown which has only worsened thanks to Covid-19. Layoffs were already the norm for a large part of 2019 across the chain of vehicle manufacturers, suppliers and dealers. The numbers will only grow if the virus menace continues to spread in the coming months.

However, if things do not really get out of hand and everything is back to normal by mid-April, it is not as if growth will magically take off in a big way overnight with everything in ruins. There is no question that the Centre will need to play its part and offer a huge fiscal stimulus to get key sectors back on track.

The top priority would need to be driving up consumption levels again and this cannot happen when people have lost their jobs. The hospitality industry, in particular, could see the biggest bloodbath and it is imperative that stakeholders here are not left in the lurch.

The auto industry had already factored in the grim reality that growth would be little to write home about in the April-September period. Manufacturers were pragmatic enough to know that customers would take time getting used to a pricier regime in BS-VI, more so when buying sentiment has already been lacklustre for many months now.

In B2B segments like heavy commercial vehicles, there were fears that some fleet operators would shut down operations since businesses would no longer be viable. In a worst case scenario, manufacturers reckoned that plant capacities for truck makers would be down by 60 per cent from 2018 levels.

Clearly, things are going to be a lot more complicated now with Covid-19, especially with no indication when the menace will completely disappear from the landscape. The collapse of China and Europe also means that sourcing of key components for BS-VI vehicles will also be impacted.

Going forward

When this sordid saga ends, the most important task on hand is to create some buoyancy in the market and bring customers back to showrooms.

This is where the Centre needs to play a big role; it did this remarkably well during the Lehman crisis a decade earlier. There are lessons to be learnt and emulated from that experience.

FM to meet PM over impact on economy

Yuthika Bhargava
NEW DELHI, MARCH 20, 2020
THE HINDU

To hold series of meetings to assess impact, some relief likely soon

Amid rising anxiety over the impact of COVID-19 outbreak on Indian economy, Finance Minister Nirmala Sitharaman is scheduled to meet Prime Minister Narendra Modi on Saturday to examine possible ways to tackle the situation.

A source, who did not wish to be named, added that the government was closely monitoring the situation and may announce some sector-specific relief measures as early as next week.

Ahead of her meeting with the Prime Minister, Ms. Sitharaman will be holding back-to-back meetings with various ministers from the sectors that are worst affected as a result of the pandemic.

The Finance Minister will be meeting the Minister of Fisheries, Animal Husbandry and Dairying Giriraj Singh, Minister of Civil Aviation Hardeep Singh Puri, Minister of Road Transport, Highways and Shipping as well as Micro, Small and Medium Enterprise Nitin Gadkari, and Minister of Tourism Prahlad Singh Patel.

"The Ministry has already taken some quick Customs related steps to help those affected by disrupted supply chains due to COVID-19. But major steps, if any, cannot be taken in a knee-jerk manner and must be done after due deliberation and consultation. This process is ongoing and will continue. Decisions, if any, will be announced in due course," a finance ministry official said.

The source added that during the meeting with the Finance Minister, all ministers would put forth relief recommendations for their respective sectors. "Ms. Sitharaman will meet the Prime Minister on Saturday, Principal Secretary to the Prime Minister P.K. Mishra is also likely to attend the meeting. The government may announce an economic package or set of decisions next week."

IndiGo announces pay cut for its employees

Jagriti Chandra
NEW DELHI, MARCH 19, 2020
THE HINDU

Worse is, perhaps, yet to come: CEO

IndiGo announced pay cuts for its staff with CEO Ronojoy Dutta volunteering to give up 25% of his remuneration.

"With a great deal of reluctance and a deep sense of regret, we are, therefore, instituting pay cuts for all employees excluding Bands A and B, starting April 1, 2020. I am personally taking a 25% pay cut, SVPs and above are taking 20%, VPs and cockpit crew are taking a 15% pay cut, AVPs, Bands D along with cabin crew will take 10% and Band C 5%. We know how hard it is for families to take a cut in take home pay. But unfortunately, it is impossible for our company to fly through this economic storm without all of us making some sacrifices," Mr. Dutta wrote to his employees.

The move was necessitated because of a sharp fall in revenue, forcing the airline to pay careful attention to cash flows so that it did not run out of cash.

He said the travel advisories issued by various airlines to check the spread of COVID-19 has resulted in a virtual shut down of all of IndiaGo's international operations and domestic flights, too, had witnessed a drop in bookings by up to 20%."

He cautioned his employees that the worse was perhaps yet to come. "It is not clear that the situation will not get worse before it gets better," he wrote.

GoAir has already announced that it would be asking its staff to go on leave without pay on a rotational basis, while Air India has slashed allowances of its employees.

Real estate sector likely to suffer big jolt

Lalatendu Mishra
MUMBAI, MARCH 19, 2020
THE HINDU

'New sales may be hit badly amid surge in loan defaults and cash constraints'

The spread of COVID-19 in India and the resultant restrictions imposed by government authorities to contain it is expected to impact the real estate sector significantly, say developers and analysts.

"In the mid-term, it is expected that new sales will be badly impacted and there will be a surge in default by customers. This will certainly have a cascading effect on the repayment of loans availed by customers and developers," said Sanjay Daga, chief operating officer, Runwal Developers.

He said developers would face the daunting task of servicing interest outflows amid constrained cash inflows, postponement of instalments and interest subsidy. “There is a lot of volatility expected in the market resulting in job losses and sustainability of businesses will be at stake,” he said.

‘Too early to predict’

“While it is too early and difficult to predict the exact impact on the realty market, we need to wait for the full economic cycle and implications that come along with it in the coming months,” he added. Farshid Cooper, MD of Spenta Corporation, said the disruptions in the business cycle are bound to impact the demand for commercial as well as residential real estate.

“People are avoiding stepping out of homes and hence there is a dip in walk-ins across all residential projects too. Investors, as well as end-users, are opting for a ‘wait and watch’ policy amid the pandemic,” he said.

Ashok Mohanani, chairman, Ekta World and vice-president, Naredco Maharashtra, said, “The momentum in the housing market, which had begun to show some potential over the past few quarters, would likely slow down in the first half of 2020. There is definitely a fall in site visits by potential homebuyers. This, in turn, will have a cascading effect on sales of property.”

Commenting on the issue Niranjan Hiranandani, national president, Naredco, said, “The pandemic menace has hit at a particularly sensitive time, that of the financial year closing. Across real estate companies, this is the time when statutory pay-outs and streamlining of balance sheets happen.”

He said this year’s festive occasion of Gudi Padwa/Ugadi might see a drop in launches and delayed deal closures, following a direct effect on site visits by potential buyers.

“When it comes to commercial real estate, the impact of COVID-19 in form of shutdown of retail outlets and malls as also entertainment and fitness centers has put commercial real estate deals on 'wait and watch mode," he added.

Anurag Mathur, CEO, Savills India said for the real estate industry, COVID-19 could prove to be an additional dampener in the short term as the sector is already under intense pressure because of the ongoing liquidity crunch and weak market sentiment.

"However, it is important to note that these are temporary disruptions and would not hold back the economy and the industry in the long run. We do not see any significant impact on investments into the sector in the long run because of the pandemic," he added.

It may take 6 months for normalcy: CII

Mini Tejaswi
BENGALURU, MARCH 19, 2020
THE HINDU

Resort to pay cut, if need be, but keep employees safe: Vikram Kirloskar to corporates

India Inc. may require at least three to six months to restore normalcy and business continuity after the entire course of the COVID-19 event is over, says Vikram Kirloskar, president, Confederation of Indian Industry.

"All of us are facing a tough challenge. Overall, things are not looking good. All industrial segments are suffering. Small-scale industries are under severe pressure. Large industries can't run without ancillary companies and supply chain support.

"Stock markets are down globally. The rupee is under attack,'' Mr. Kirloskar told ***The Hindu***.

However, he said, "The good news is that, the Indian government has been handling the issue very sensibly, right from the beginning, compared with other affected geographies. Some say India is the safest place today.''

The CII has asked all its members to take up leadership role in ensuring the safety of enterprises, employees and society as a whole, and do not rely on rumours that are floating around.

“None of us should panic, rather, we should strictly adhere to advisories, stay calm, move around responsibly, work hard to contain and fight COVID-19, is the message CII wants to give out to all individuals, small entrepreneurs and large corporates in this country,’’ said Mr. Kisloskar.

He said he was supposed to have met a Japanese visitor in India on March 4, but the latter was not allowed into the country and was sent back from the airport itself.

“That means, our government has started taking precautions from the beginning of March. Therefore, I hope and trust that the numbers given out, of COVID-19 suspected and confirmed cases, are correct, of course with some plus or minus.’’

According to him, Indian corporates have been proactive as they are already allowing a lot of their employees to work from home.

“Companies now have to adopt various measures, including cutting operational cost and introducing effective risk management solutions to be able to come out unscathed.’’

As a piece of advice, Mr. Kirloskar said, businesses now have the heavy responsibility of realigning, not retrenching, their people effectively.

“Some top managers may have to take serious pay cuts, some employees can be sent on unpaid vacation for a few months while in some cases, employees may be asked to work extra hours/days to compensate the time that’s lost. However, companies should keep their most critical asset, the people, in safe custody,’’ he urged.

As a word of caution to people, he said, citizens, too, have to be highly responsible. People were missing quarantine and jumping on train or playing in the open. “Don’t take any risk at least for two weeks. We are one of the few countries where COVID-19 which is under control. We have to stop the virus from spreading, which is critical for the safety of our life and livelihood.''

As per Mr. Kirloskar, the media, overall, has been doing a responsible job in terms of handling virus stories. "However, I am not tracking much of social media, because if I did I may go mad, so I avoid it,'' he added.

DPIIT notifies decision to permit NRIs to own up to 100% stake in Air India

PTI
NEW DELHI, MARCH 20, 2020
THE HINDU

On March 4, the cabinet had taken a decision in this regard

The Department for Promotion of Industry and Internal Trade (DPIIT) has notified a decision of the union cabinet to allow non-resident Indians (NRIs) to control up to 100% stake in disinvestment-bound Air India.

The FDI policy earlier permitted NRIs to take only 49% stake in the airline.

In its press note, the DPIIT said: "Foreign investments in Air India including that of foreign airlines shall not exceed 49 per cent either directly or indirectly except in case of those NRIs, who are Indian Nationals, where foreign investment is permitted up to 100 per cent under automatic route".

On March 4, the cabinet had taken a decision in this regard.

The decision came at a time when the government has sought preliminary bids for 100% stake sale in the national carrier.

It also said that the condition that substantial ownership and effective control (SOEC) of Air India shall continue to be vested in Indian nationals.

An official statement has earlier stated that in light of the proposed strategic disinvestment of 100% of Air India by the government, it has been decided that foreign investment in Air India be brought on a level-playing field with other scheduled airline operators.

The national carrier will have no residual government ownership and will be completely privately owned.

Under the SOEC framework, which is followed in the airline industry globally, a carrier that flies overseas from a particular country should be substantially owned by that country's government or its nationals.

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Indian Bank NPA to rise, no change in board after merger with Allahabad Bank

By: PTI | : March 19, 2020

"The existing Indian Bank board will not change from April 1 post amalgamation and the headquarters will remain at Chennai," Indian Bank MD and CEO Padmaja Chunduru said.

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Net NPA of Indian Bank was 3.4 per cent while that of Allahabad Bank is 5.1 per cent.

Indian Bank on Thursday said its board will remain unchanged following its merger with Allahabad Bank on April 1, but its non-performing assets will soar. The coronavirus outbreak also poses new threats to the amalgamated entity to clock around 12 per cent loan growth at the end of the next fiscal. "The existing Indian Bank board will not change from April 1 post amalgamation and the headquarters will remain at Chennai," Indian Bank MD and CEO Padmaja Chunduru said, asserting that amalgamation is on schedule amid coronavirus outbreak.

She said net NPA of Indian Bank was 3.4 per cent while that of Allahabad Bank is 5.1 per cent. However, what will be the net NPA of the amalgamated entity needs to be worked out. The merged entity is likely to tap capital markets for growth capital during the second half of 2020-21, she said.

The combined entity's capital to risk-weighted assets ratio (CRAR) will be around 13 per cent. "We have done our projection that it should be well enough to take care of the growth for at least the initial period. We have a plan to tap the markets for the second half of the next fiscal. But both the quantum and the timing will depend on the market conditions, she said.

The bank was projecting a 12 per cent loan growth in the first year of the amalgamated entity. "But, we may have to review it in wake of the coronavirus threat," Chunduru said. Global advances figure for the merged entity will be around Rs 3.83 lakh crore. The lender's both corporate and retail loans would stand at around 50 per cent of combined total loan book.

JPMorgan Chase says it will close 20% of its branches because of the coronavirus pandemic

PUBLISHED WED, MAR 18 2020 **CNBC**

JPMorgan Chase will temporarily close about 20% of its branches and reduce staffing in the ones remaining in response to the coronavirus pandemic.

"We are planning to temporarily close about 20% of our branches," the bank told employees earlier Wednesday. "This will help us protect our employees as we provide essential services to our customers and the communities we serve."

JPMorgan, the biggest U.S. bank by assets, is the first of the U.S. megabanks to announce widespread closures of branches because of the coronavirus. Banks have been restricting employee travel and sending staff home or to backup sites to work, but this is one of the first steps that impacts retail customers.

The move, which begins tomorrow, should shutter about 1,000 locations: New York-based bank JPMorgan has 4,976 branches and 256,981 employees. The bank didn't disclose which locations would be shut down, but it said that the remaining network was more than enough to serve communities.

"Our temporarily smaller footprint will allow us to provide appropriate coverage in every market we serve so we can continue to serve our clients," said Patricia Wexler, a JPMorgan spokeswoman.

JPMorgan said that non-teller personnel including financial advisers and mortgage bankers could work from home starting tomorrow, lowering the number of people in any given site. Most of the remaining branches have drive-throughs or tellers behind glass to "further safeguard employees and customers," the bank said.

It will also reduce the hours of operation of branches that are open, although employees will still be paid based on their regular hours, the bank said.

"Every day I'm asking what more I can do – as a mother, as a daughter and as a CEO," Thasunda Brown Duckett, head of JPMorgan's retail bank, said Wednesday in a staff memo. "You are my tribe and your health and safety is important to me. I am balancing that with the fact that we are essential to the communities we serve, and we need to be there to help."

Earlier this week, Capital One said it was shuttering 120 locations for an indefinite period of time.