

YES, BANK ON THINGS BEING WORSE THAN THE

EXPERT
VIEW

ANDY MUKHERJEE

Respond to this column at
feedback@livemint.com

It's no secret that India's banking regulator hates having its officials sit on the boards of state-run lenders.

The practice exposes the Reserve Bank of India (RBI) to all kinds of potential conflicts it would rather avoid.

So, when the RBI used its special powers to appoint a former deputy governor as a director of Yes Bank Ltd, a non-state lender, it sent a powerful signal: The bank's troubles run deeper than investors believe, and a clean-up will probably be harder.

The eventual solution may be to let the country's 10th-largest bank by market value get swallowed by a bigger balance sheet.

Yes Bank's problems started two years ago, when the regulator forced it to disclose that non-performing loans were \$630 million more than the \$113 million reported in the company's audited accounts for the year ended in March 2016.

The divergence widened to almost \$1 billion a year later.

Last September, the RBI pulled the plug, and refused to approve a further three-year term as chief executive officer (CEO) for co-founder Rana Kapoor.

Deutsche Bank AG's former India CEO Ravneet Gill, who recently replaced Kapoor, has decided to make kitchen-sinking of problem loans his first priority.

Yes Bank reported its first-ever loss during the



ANIRUDDHA CHOWDHURY/MINT

There are uncertainties around how much headway new CEO Ravneet Gill will make and how soon.

March quarter after the new CEO took a \$300 million hit to cover for loans that could go bad in the future.

Still, with the old management out and a clean-up guy in place, why would the RBI get involved with Yes Bank now?

Its gross non-performing asset ratio is 3.2%, compared with 7.5% for State Bank of India, the country's largest lender by assets.

A reasonable guess is Yes Bank's linkages with financial and real-estate firms, two of the businesses facing the biggest funding squeezes in India. Such exposure works out to a sixth of the loan book, based on figures released by the bank.

A fire sale of debt securities held by Yes Bank's trea-

surey would further push up fu
rowers—the struggling shade

Before you know it, the fir
started with the collapse of I
could turn into a full-fledged fa
ernment is getting sworn in N

That's not something the ce
its watch.

The RBI has previously use
appoint directors in Dhanla
Lakshmi Vilas Bank.

Interestingly, Indiabulls H
wants to merge with Lakshmi V
allows the shadow bank to mor
ing institution.

It's reasonable to expect th

Yes Bank may
become the
target of some
sort of special
situation
investor

revision broadcaster Zee Enter
Ltd. The bank's exposure to th
alone is \$1.85 billion, or half o
equity, Bloomberg Quint repor

Ambani's telecom company i
his finance business struggles w
and credit downgrades.

Meanwhile, Yes Bank has a S
to Zee's controlling shareholde
reported in January.

Given all this, a long line of wi
unlikely. Any hook-up will pre
arranged marriage, solemnized



RACL Geartech Limited

Regd. Office: 15th Floor, Eros Corporate Tower, Nehru Place, New Delhi - 110019, India

Phones: +91-11-66155129 / +91-120-4588500 / Fax No.: +91-120-4588513

e-Mail: info@raclgeartech.com / website: www.raclgeartech.com

CIN : L34300DL1983PLC016136

NOTICE

Pursuant to provision of Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notice is hereby given that a meeting of the Board of Directors of RACL Geartech Limited ("Company") is scheduled to be held on Friday, May 24, 2019, inter alia, to consider and approve the Audited Financial Results of the Company for the quarter and financial year ended on March 31, 2019 and Statement of Asset and Liabilities as on March 31, 2019.

The notice of Board meeting is also available on the website of the company i.e. www.raclgeartech.com and on the website of Stock Exchange i.e. www.bseindia.com.

For RACL Geartech Limited

Place: Noida
Date: May 16, 2019Sd/
Hitesh Kumar
Company Secretary & Compliance Officer

DELHI DEVELOPMENT AUTHORITY

E-Tender Press Notice No.04/FO/NZ/2019-20

The Executive Engineer, Northern Division No.10, DDA Office Ashok Vihar, Phase-I, Delhi-110052 on behalf of Delhi Development Authority re-invites online



CHAMBA

Telephone No.

EXTRACT OF STATEMENT

Sl.
No.

1. Revenue from Operations

