

UBI expects Rs 3,000 crore recovery from NCLT resolutions

United Bank of India NSE 5.43 % is expecting to recover around Rs 3,000 crore out of a total of Rs 5,951 crore, by way of resolutions through the National Company Law Tribunal (NCLT), the public sector lender's MD and CEO Pawan Bajaj said today.

Altogether 40 cases were referred to the NCLT of which Rs 580 crore had already been recovered by the bank, Bajaj told shareholders at the annual general meeting here.

"Now, all the cases referred to the NCLT will be ready for resolution, as the stipulated time limit is going to be over and reached the last stages of settlement," Bajaj said.

As on March 31, 2018, the bank's gross non-performing asset stood at over 24 per cent, he said, adding, the lender's liquidity position was strong enough to meet any kind of liability, as the CASA ratio was high.

In the first quarter of the current fiscal, UBI posted a net loss of Rs 220 crore, Bajaj said.

"We expect to be back in the black by the end of March 2019."

Bajaj said the bank was shedding bulk deposits and reducing exposure to large corporates, and instead, focusing on SMEs, retail and agriculture.

"As the bank is based in West Bengal and other eastern states, the reason for high level of NPAs was lack of industrial growth in the region and lower credit offtake," he said.

Bajaj said that the CD ratio of the region, including that of West Bengal, was also low.

UBI has submitted a capital requirement plan to the Central government, he said.

The public sector lender is also in the process of starting stressed assets management branches from next month.

(Economic Times)