



No proposal for consolidation of public sector banks: Govt

MoS for finance Santosh Kumar Gangwar says there is no proposal under the consideration of the government for consolidation of public sector banks at present

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New Delhi: The government on Friday said there is no proposal for consolidation of public sector banks (PSBs) at present.

"There is no such proposal under the consideration of the government for consolidation of PSBs at present," minister of state for finance Santosh Kumar Gangwar said in a written reply to the Lok Sabha.

The government had in February approved the merger of five associate banks with State Bank of India (SBI). In March, the Cabinet approved the merger of Bharatiya Mahila Bank (BMB) and SBI as well. Five associates, State Bank of Bikaner and Jaipur (SBBJ), State Bank of Hyderabad (SBH), State Bank of Mysore (SBM), State Bank of Patiala (SBP) and State Bank of Travancore (SBT), besides BMB became part of SBI from 1 April.

SBI first merged State Bank of Saurashtra with itself in 2008. Two years later, State Bank of Indore was merged with it.

Gangwar, in another reply, said SBI has informed that there is no plan to launch voluntary retirement scheme (VRS) in the bank. SBI also said that no employees have been laid off on account of merger, he said. However, he said, VRS was offered by the erstwhile associate banks of SBI to their employees and officers before the merger and 3,569 staff opted for it.

Replying to another question, Gangwar said RBI has informed that there is no proposal under consideration of levying parking surcharge on deposits. In reply to another question, Gangwar said, LIC has invested Rs1.84 trillion in government securities, Rs29,152 crore in equity shares and Rs27,482 crore in debt other than government securities during the nine months ended 31 December 2016.

LIC had booked a profit of Rs13,927.59 crore in the nine months ended December 2016 as compared to Rs11,108.72 crore in the same period a year ago. In a separate reply, Gangwar said, over 8.56 crore loans have been sanctioned across all age groups under Pradhan Mantri Mudra Yojana (PMMY) as on 28 July.

Bad news for loan defaulters: Arun Jaitley says government to start criminal proceedings against fund diversion by them

Finance minister Arun Jaitley on Thursday declared that criminal and recovery proceedings will be initiated against defaulters of bank loans who divert money and stressed no one can claim equality before the law in not repaying loans to the banks.

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Finance minister Arun Jaitley.

Finance minister Arun Jaitley on Thursday declared that criminal and recovery proceedings will be initiated against defaulters of bank loans who

divert money and stressed no one can claim equality before the law in not repaying loans to the banks. Jaitley was replying to a debate in the Lok Sabha, which passed a Bill to replace an ordinance through which the finance ministry had authorised the Reserve Bank Of India (RBI) to direct banks to resolve specific cases of bad loans by initiating resolution process under the new insolvency law, where required. The Banking Regulation (Amendment) Bill, 2017, seeks to amend the Banking Regulation Act, 1949 and replace the Banking Regulation (Amendment) Ordinance, 2017 that was promulgated in May this year.

Apart from asking banks to invoke the insolvency law, the move also empowers the RBI to issue other directions for the resolution of stressed assets, such as appointing committees to advise banks to resolve stressed asset issue. Speaking in the Lok Sabha, Jaitley said defaulting companies cannot ask why only they were being targeted when some other defaulters were being let free.

"No, that cannot be an argument. The system has the capacity to take only a certain number of cases. "Many non-performing asset (NPA) cases could be fraud, as money taken was diverted. These are not routine NPAs. Criminal proceedings will be carried out and bank will start recovery procedure for such accounts," Jaitley said. Jaitley said the loans, which later turned bad, were probably given at a time when the economy was in a "boom" period and they seemed good investment proposals.

"Our laws were obsolete and impeding the recovery process... therefore this mechanism was set up. It will select defaulter, direct banks to move expeditiously against the defaulter. NCLT will dispose of the case within 180 days. This process will recover the public money, so no one should have objection," he added. Jaitley said while the private sector concentrates on retail lending for car and home loans, public-sector banks have been much ahead in lending to infrastructure sector for the overall growth of the economy.

He said multiple options available for resolution of stressed assets. "At the end of the day, we need to change. They are national assets and we need to save the companies, have companies which are able to pay the banks," Jaitley said. Referring to NPAs which amounted to more than 13% of

advances in 2001, the figure came down to less than 3% in 2007-08, Jaitley said.

The sectors with most NPAs are steel, power, textiles and infrastructure, he added. While the debt recovery tribunals (DRTs) set up earlier liberalised the system, there were still some issues where honest bankers had to decide on loans. They had to operate in the context of the Prevention of Corruption Act (PCA), in which an honest decision could have been questioned later.

"Now, we have a complete situation... an oversight committee has been established which will overlook the settlements made and advise them on reasonable settlement," he said. "These NPAs are continuing for last five-seven years, a stalemate situation had been reached. This process had to be broken."

Wage talks: IBA panel meets workmen unions, cites banks' plight

VINSON KURIAN, BUSINESSLINE

THIRUVANTHAPURAM, AUG 5:



The sub-committee set up by the Indian Banks' Association (IBA) to discuss the service conditions of a non-financial nature for workmen employees has completed the first round of discussions.

The discussion was held at the IBA office in Mumbai on Wednesday, said C.H Venkatachalam, general secretary, **All-India Bank Employees' Association (AIBEA)**.

Two sub-committees

Earlier, the sub-committee to discuss service conditions of a non-financial nature of officer employees of banks too had held its a round of discussion.

BusinessLine had reported that the IBA had set up separate sub-committees to discuss the next round of wage revision with the United Forum of Bank Unions (UFBU).

This was decided at a meeting between the Negotiating Committee of the IBA led by RK Thakkar and the UFBU leaders.

It was agreed that the negotiating committee will discuss the common demands and issues of employees and officers having direct financial implications.

The sub-committees will take up other demands relating to service conditions which are of non-financial in nature.

'Reasonable level'

In his opening remarks, Rakesh Sharma, Chairman of the sub-committee for workmen employees, said that the IBA would like to expedite the whole process of negotiations as early as possible.

He appealed to the unions to keep their demands at a reasonable level, looking at the present situation of banks' performance.

A more or less similar demand had been made by Prashant Kumar, Chairman of the sub-committee for officer employees, while addressing the union representatives.

To Sharma's appeal, the workmen unions responded by stating that they too would like to conclude the settlement expeditiously and would adopt a reasonable approach to resolve demands amicably.

Demand list

The demands taken up at the meeting included introduction of five-day banking; improvement and better management of medical insurance scheme; implementation of appointments on compassionate ground as per government guidelines; introduction of leave bank system; a staff welfare scheme allocation based on operating profits of banks; problems of physically challenged and women employees; intra-cadre career progression scheme; revision in income criteria for dependent; family definition; and improvement in compensation on transfer of employees.

According to Venkatachalam, meaningful discussions were held on these issues and it was decided to continue them with further inputs in order to reach a consensus on them.

Intra-team parleys

On its part, the IBA team too wanted to discuss among themselves some of these issues before the same could be taken forward.

It was decided that more issues could be taken up at the next round of discussions scheduled on August 23.

The sub-committee was chaired by Rakesh Sharma, MD & CEO, Canara Bank. Its members are HC Sati (General Manager, Allahabad Bank); Mrityunja Kumar Gupta (General Manager, Bank of India); Punit Jain (General Manager, Punjab National Bank); TS Seshadri, (Deputy General Manager, Indian Bank); Ajay Kumar Singh (Deputy General Manager, SBI); and IBA representatives VG Kannan, Chief Executive; B Raj Kumar, Deputy Chief Executive; SK Kakkar, Senior Adviser, Human Resources and Industrial Relations; and and KS Chauhan, Vice President.

The unions were represented by C. H Venkatachalam and B. S Rambabu (AIBEA); SK Bandlish and Vinil Saxena (NCBE); C.J Nandakumar (BEFI); Subhash S Sawant (INBEF); and Upendrakumar (NOBW).

Wage talks: Banks may not revise stand on fewer officer scales



Unions raise a host of other non-financial demands at the sub-committee meeting on wages

THIRUVANANTHAPURAM, AUGUST 4:
VINSON KURIAN, BUSINESSLINE

Bank managements may not budge from their stand to revise a mandate given to Indian Banks' Association (IBA) for limiting wage negotiations applicable for officers from Scale I to III.

The unions had requested for a revised mandate to enable them to negotiate on behalf of all scales (I to VII), a convention, they say, is based on the Pillai Committee recommendations.

But the managements are learnt to have stood their ground at a meeting of a sub-committee set up to discuss wage demands of officers of a non-financial nature and held in Mumbai on Thursday.

The sub-committee has representatives of bank managements as well as of officer unions.

The unions have urged the management representatives to take up the matter with the bank managements concerned since this could prove crucial to the success of the wage talks.

The unions expressed a collective wish to take the dialogue to its logical end but requested that the IBA not 'precipitate matters'.

Listed demands

Other non-financial demands listed include: five-day week; regulated working hours; an accountability policy; improvement and uniformity in the discipline and appeal regulations; appointments on compassionate grounds; and branch categorisation. Family pension and 100 per cent DA neutralisation for pre-November 2002 pensioners too are on the list. The chairman of the sub-committee expressed resolve to address the outstanding issues, sources said.

But the chairman enjoined on the unions to keep in mind the state of the industry while pushing for their demands.

The meeting agreed to form a smaller committee to address problems encountered in the discipline and appeal regulation, which is pending from the last wage revision, and a uniform accountability policy.

Branch categorisation

With regard to categorisation of branches, the management representatives felt it be left to individual banks to decide.

The sub-committee is chaired by Prashant Kumar, Deputy Managing Director, State Bank of India, and included the following general managers of member banks: SK Chaoudhary (Bank of Baroda); B Ashok (Central Bank of India); K Virupaksha (Canara Bank); Ujwal Kumar (UCO Bank); MK Biswal (Bank of Maharashtra); and VG Kannan, CEO, IBA, along with human resources functionaries.

Those who represented the officer unions included: Dilip Saha and Y Sudarshan (AIBOC); S Nagarajan (AIBOA); KK Nair (INBOC); and Sunil Deshpande (NOBO).

Mohammad Mustafa is SIDBI's new CMD

August 5, 2017:

The Centre has appointed Mohammad Mustafa, a 1995 batch IAS officer, as Chairman and Managing Director of Small Industries Development Bank of India (SIDBI).

Prior to this appointment, Mustafa was Joint Secretary in the Department of Financial Services (DFS) in the Finance Ministry.

The Appointments Committee of the Cabinet has approved his appointment for a period of three years, according to a Department of Personnel and Training (DoPT) order.

Demonetisation has hit the economy: Kaushik Basu



Kaushik Basu, former Chief Economic Advisor

MUMBAI, AUGUST 4: BUSINESSLINE

Demonetisation was a very big mistake and it has had a big negative fallout on the economy, according to Kaushik Basu, former Chief Economic Advisor (CEA) to the Government of India.

There was a flaw in the analysis and the costs involved in the short term for even a growing economy are significant, he said at the Lalit Doshi Memorial Lecture.

Basu, who is currently Professor of Economics at Cornell University, underscored that the reasons given for the huge shock caused to the economy by demonetisation were not good enough owing to the fact that

86 per cent of the currency notes in the economy were taken out of the system.

“The GDP growth, which would have crossed 8 per cent this year, has slowed down to 6.1 per cent and will remain low for a while,” he said.

The Reserve Bank of India, at the behest of the government, sucked out Rs 500 and Rs 1,000 banknotes between November 8, 2016 and December 30, 2016, in a bid to rein-in corruption, black money, money laundering, terrorism and financing of terrorists as well as counterfeit notes.

These notes were replaced with fresh Rs500 and Rs 2,000 notes.

AIBEA THIS DAY – 5 AUGUST

1921	Com. J D Mishra, veteran leader from Uttar Pradesh (date of birth)
1948	Com. Prasanna Utagi, Former General Secretary, Goa Bank Employees Association (date of birth)
1948	Strike in Central Bank of India, Calcutta – wrongful implementation of S K Sen Award and other demands.
1968	All India Strike actions against 36 AD (Social Control Bill)

AIBEA THIS DAY – 6 AUGUST

1921	Com. B P Bajpal, Former Vice President of AIBEA (date of birth)
1968	Lok Sabha passes the Social Control Bill despite opposition walk out and demonstration outside.
1987	AIBEA organizes training camp for Worker Directors at NIBM, Pune.
2009	Two days' strike in banks- call by UFBU- Wage Demands –Negative approach of IBA



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