



10% India's \$2 trillion GDP is now in the hands of these 20 men

BY AMIT MUDGILL, ETMARKETS.COM | AUG 04, 2017

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NEW DELHI: India's top 20 industrialists added a whopping \$50 billion to their combined wealth in the first seven month of 2017, and they are now valued at just over \$200 billion, roughly 10 per cent of India's \$2 trillion economy.

Data compiled from Bloomberg Billionaire index suggests each of 18 top Indian billionaires have seen their wealth rise by \$1 billion and above, roughly Rs 6,400 crore at the prevailing exchange rate, in the seven months into the calendar. Except for Sun Pharma's Dilip Shanghvi, all the billionaires have minted money.

Mukesh Ambani, who owns to oil-to-telecom conglomerate Reliance Industries, has seen addition of a staggering \$13 billion to his wealth, while Adani group's Gautam Adani, Wipro's Azim Premji and RK Damani – owner of recently listed Avenue Supermarts – have seen their wealth swell by anywhere between \$3-4 billion this calendar, Bloomberg data showed.

Shares of Reliance Industries have been ruling at a nine-year high. At last count, the company commanded a market capitalisation of Rs 4,50,000 crore.

"Following many years of investment lull in the core business, a grandiose \$20 billion push in highly competitive projects has begun to yield results; notably, US ethane with an estimated RoCE of 18 per cent; mega PX project (2.2MMT) and the forthcoming integrated petcoke gasification plant with combined RoCE of 17 per cent. Commissioning of these projects will turn around FCF and double profits in 5 years," brokerage Edelweiss Securities said in a note.

“Successful launch of Reliance Jio enhances our confidence on the group. Moreover, RIL’s organised retail business has pleasantly surprised us with robust profit growth,” the brokerage said.

Azim Premji, who promotes Wipro and has stake in ICICI Prudential Life Insurance (4 per cent) and whose trust Azim Premji Trust has small stakes in NCC (2.47 per cent), Jubilant FoodWorks (2.32 per cent, Schneider Electric (2.01 per cent) Crompton Greaves Consumer Electricals (1.53 per cent) and JM Financial (2.40 per cent) has seen his wealth rise by \$3.8 billion to \$16 billion this year.

In June this year, Gautam Adani said his company would start work on the \$16.5 billion Carmichael coal project in Australia after its board approved the investment. The project was stalled due to local protest on its likely environment impact, especially on the Great Barrier Reef. Adani’s Australian unit in May reached an agreement on royalty payments to the Queensland government.

Radhakishan Damani, whose company Avenue Supermarts have soared 205 per cent on the bourses since its listing in March this year, has seen his fortunes rise by \$3.46 billion this year to \$5.36 billion.

Uday Kotak, who promotes the Kotak Mahindra Bank, has seen his wealth swell by \$3.22 billion to \$10.3 billion. Earlier this year, there were rumours that the lender would merge with Axis Bank, India’s fourth largest lender, but the both parties denied the reports.

Kotak bank last month received shareholder nod to raise up to Rs 65,000 crore to fund “business expansion”. This included issue of unsecured, redeemable non-convertible debentures or bonds for an amount up to Rs 5,000 crore.

Aditya Birla group’s Kumar Mangalam Birla saw his wealth rise by \$3.13 billion to \$9.16 billion. Idea Cellular, a group company, this year announced merger with Vodafone, which is expected by the end of 2018.

Zydu Cadila’s Pankaj Patel, Eicher Motors’ Vikram Lal, ArcelorMittal’s Lakshmi Mittal, DLF’s KP Singh, Piramal Group’s Ajay Piramal and Shapoorji Pallonji Group’s Pallonji Mistry are the other billionaires who have added at least \$2 billion each to their wealth this year.

At the onset of 2017, India’s richest one per cent held 58 per cent of the country’s total wealth – higher than the global average of about 50 per cent, showed a study.

PNB customers to pay higher charges for non-credit services

NEW DELHI, AUG 6: PTI

Come September, PNB customers will have to pay charges for depositing cash above Rs. 5,000 in a non-base branch even if it is located in the same city.

Currently, the customers of Punjab National Bank (PNB) are levied charges only for depositing cash over Rs. 25,000 at a non-base branch within the same city.

“It has been decided to revise the non-credit related charges (exclusive of GST) with effect from September 1, 2017 for cash deposit above Rs. 5,000 at other than base branch within the same city,” PNB said in a communication to customers.

A customer will have to pay Re 1 per Rs. 1,000 for above Rs. 5,000 cash deposit or part thereof with a minimum of Rs. 25 per transaction.

At an outstation branch, cash deposit up to Rs. 5,000 will be free of cost from September 1, which at present is limited for Rs. 25,000.

While, for above Rs. 5,000 cash deposit at outstation branch, the bank will levy Rs. 2 per Rs. 1,000 or part thereof with a minimum of Rs. 25 per transaction.

The bank has also revised upwards the cheque returning charges for a payment of above Rs. 1 crore to Rs. 2,000 for first cheque and Rs. 2,500 for subsequent bounces.

Currently, for a cheque return of above Rs. 1 crore, the charges are Rs. 1,000 for first cheque and Rs. 1,500 for subsequent instances.

At the same time, the bank has steeply raised the locker facility charges in metro branches for different types of lockers.

The locker rent is being raised by 25 per cent for small, medium, large and extra large sizes to Rs. 1,500, Rs. 3,500, Rs. 5,500 and Rs. 10,000, respectively, for metro branches.

Earlier such charges were Rs. 1,200, Rs. 2,800, Rs. 4,500 and Rs. 8,000, respectively.

Besides, PNB will levy a premium of 25 per cent of the locker rent in 22 identified branches, 19 of which are in Delhi, one in Gurgaon and two in Faridabad.

The Delhi branches are: Jangpura Extension, South Extension, GK II, Kalkaji, Sahkaurbasti, Krishna Nagar, Preet Vihar, Suraj Mal Vihar, Model Town, Mall Road, Patparganj, Madhuban, Vikaspuri, Sector 12A Dwarka, Sector 12 Dwarka, Dwarka, New Rajinder Nagar, Punjabi Bagh and Rajauri Garden.

Of others, Gurgaon Sector 4, Sector 37 Faridabad and Old Faridabad are the branches to attract a 25 per cent premium on locker rentals.

All the charges are exclusive of Goods and Services Tax (GST) which came into effect from July 1 this year and attract a charge of 18 per cent, up 15 per cent from previous tax regime charges.

BoB cuts SB deposit rates

OUR BUREAU MUMBAI, AUGUST 4: BUSINESSLINE

Possibly taking a cue from State Bank of India, Bank of Baroda has cut interest rate on savings bank (SB) deposits. The public sector bank will offer 3.5 per cent interest on SB deposits up to ₹50 lakh as against 4 per cent hitherto. The new SB rate is effective from August 5.

Kotak Mahindra Bank retains SB a/c rates at 5-6%



Shanti Ekambaram, president for consumer banking.

MUMBAI, AUG 3: BUSINESSLINE

“Borrowers matter, so do savers,” tweeted Uday Kotak, Executive Vice-Chairman and Managing Director, Kotak Mahindra Bank, on Thursday even as his bank decided to keep its savings bank rate steady at 5-6 per cent.

This decision comes despite the RBI paring the repo rate (the interest rate at which banks borrow funds from the central bank to overcome short-term liquidity mismatches) from 6.25 per cent to 6 per cent and State Bank of India reducing its savings bank (SB) rate to 3.50 per cent from 4 per cent on deposits up to Rs. 1 crore.

Kotak Mahindra Bank offers 5 per cent interest on SB deposits up to Rs.1 lakh; 6 per cent on deposits above Rs.1 lakh and up to Rs. 5 crore; and 5.5 per cent on deposits above Rs. 5 crore.

Among other private sector banks that offer higher interest rates on SB are YES Bank (6 per cent on deposits up to Rs.1 crore); IndusInd Bank (4 per cent on daily balance up to Rs.5 lakh; 5 per cent on daily balance above Rs. 5 lakh and up to Rs.10 lakh; 6 per cent on daily balance above Rs.10 lakh); Lakshmi Vilas Bank (4 per cent on deposits up to Rs.1 lakh; 5 per cent on deposits above Rs. 1 lakh and up to Rs. 5 lakh; 6 per cent on deposits above Rs 5 lakh; 6.50 per cent on balances above Rs.10 crore).

Bank unions serve notice for nationwide strike on Aug 22

VINSON KURIAN, Businessline

THIRUVANANTHAPURAM, AUGUST 6:

The United Forum of Bank Unions (UFBU) has served a notice for a nation-wide bank strike on August 22.

The UFBU has listed a number of demands in support of its strike call, on which it has demanded action from the Indian Banks' Association (IBA).

Among its demands are a halt to the moves aimed at privatisation of public sector banks and mergers and consolidation while not writing off corporate non-performing assets (NPAs).

Wilful default of loans has to be declared a criminal offence but accountability of the top management/ executives needs to be ensured.

Stringent measures must be put in place to recover bad loans. Recommendations of a Parliamentary Committee for the purpose must be implemented.

The burden of corporate NPAs should not be passed on to customers in the form of higher service charges, nor should the Goods and Services Tax be used as a ruse to hike them.

The UFBU has demanded the withdrawal of the proposed FRDI (Financial Resolution and Deposit Insurance) Bill as also scrapping of the Banks Board Bureau.

DEMONETISATION COSTS

It is pushing for reimbursement of costs of demonetisation and other government schemes to banks; settlement of issues of employees and officers thereof; and filling up of posts of employees/ officers directors in banks.

The UBFU has demanded that the scheme for appointments on compassionate grounds be implemented and the gratuity ceiling under Payment of Gratuity Act, 1972, be removed.

Gratuity and leave encashment must be totally exempted from income tax on retirement. The pension scheme must be made on a par with the RBI/ Central Government scheme for past retirees.

The erstwhile pension scheme in banks in lieu of NPS as a follow-up on record note of May 25, 2015, should be extended and adequate recruitment be made to all cadres.

AIBEA THIS DAY – 7 AUGUST	
1968	One day strike against 36 AD (Social Control Bill)
1996	Com. V M Chitnis, one of the founders of Bank of India Staff Union and veteran leader in Maharashtra passes away.
1954	Com. DD Rustogi, Joint Secretary, AIBEA (date of birth)



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