



'Every BJP reform burdened the poor': RSS trade union chief attacks Centre on economic policies

The government is going in 'a wrong direction', Saji Narayan wrote in an exclusive article for Outlook India.



Saji Narayanan CK/Facebook

Scroll.in, 17 oct 2017

The Rashtriya Swayamsevak Sangh's trade union president Saji Narayanan on Saturday criticised the Bharatiya Janata Party-led Union government's economic and labour policies. **"On the economic and labour front, the BJP government is nothing more than UPA-III!"**, Narayanan wrote in an article for Outlook India.

The Bharatiya Mazdoor Sangh president said that the Indian economy was going in "a wrong direction" because the **"identification of issues, priorities, methodology adopted to analyse them and the remedies prescribed are highly defective and based on a failed western capitalist model"**. He claimed that every new reform the government undertook benefited the rich and "burdened" the poor.

Narayanan criticised the government's Niti Aayog, which replaced the Planning Commission of India. He said that many bureaucrats and advisors who were part of the Congress-led United Progressive Alliance government had been retained by the National Democratic Alliance dispensation.

The Bharatiya Mazdoor Sangh chief said that liberalisation had led to jobless economic growth since 1991. "Till today, **job losses exceeding job creation is a constant worry** in spite of earnest efforts of the government to create jobs and encourage skill development," he added.

Narayanan claimed that the "craze" for **Foreign Direct Investment was destroying India's medium and small scale industries and small traders**. "E-commerce giants like Amazon, Flipkart, Snapdeal, Jabong, Myntra, Shopclues etc. have started destructive invasion over our local traders," he claimed. "The Ola and Uber phenomenon is similar, even though one of these is an Indian company."

Narayanan said that the service sector must remain ancillary to the agricultural and industrial sectors in the long run.

The Bharatiya Mazdoor Sangh president said there were five problems plaguing the Indian economy. The first, he said, is that nearly **half of India's population is near or below the poverty line**. He identified the second as the **agrarian crisis** in the country. Narayanan said that India's **manufacturing growth was the slowest** since Independence, and that the country had the **highest trade deficit since 1950**. He said **unemployment** was the fifth problem, which remained unresolved despite government efforts towards job growth.

The Bharatiya Mazdoor Sangh will hold a rally and march to Parliament on November 17 to protest the government's economic policies, Narayanan said. "Hardly one-and-a-half years are left before the government faces the people in the elections."

Narayanan's statements follow BJP leader Yashwant Sinha's attacks on the government for allegedly mismanaging India's economy.

IDBI Bank staff plan strike over 'inadequate' wage hike offer

VINSON KURIAN THIRUVANANTHAPURAM, OCT 16:

BUSINESSLINE



Withdrawal of certain pay slip components also a pain point: union

The United Forum of IDBI Officers and Employees is planning a strike on October 24 and 25 to protest the 'inadequate response' to the long-pending demand for a wage hike.

The latest offer amounted to a hike of only 7-8 per cent against a demand of 15 per cent, due from as far back as November 1, 2012, the forum said.

The forum could not accept the proposal for this and other reasons, Ratnakar Wankhade and Vithal Koteswara Rao AV, joint convenors, explained.

Other pain points include introduction of a concept of additional protection allowance and withdrawal of certain pay slip components from the date of settlement.

When combined, these would have a deleterious effect on the gross emoluments and superannuation benefits. So the forum had no other option but to reject the proposal.

Similarly, the bank's response to all other crucial issues raised by the forum forming part of the strike notice has been apathetic and evasive.

Individually, the officers and employees' associations have adopted utmost restraint and used all persuasive efforts at their command to avoid a confrontation.

"But, owing to the lack of a reciprocal approach from the bank, we have been pushed to an inevitable situation of intensifying the agitation and declaring a fresh plan of action culminating in the two-day nation-wide strike," they stated. They recalled that after the deferred one-day strike action on May 23, many rounds of discussions were held with the bank.

Parliamentary panel view

As responsible trade unions, constituents of the forum did not rush with a major escalation of action, keeping in view the larger interest of the bank in terms of infusion of capital by the Centre and concomitant signing of an MoU on a turnaround plan.

"We had no reason to disbelieve the assurance from the head of the institution that he would personally intervene and resolve the issue amicably before July. But this has proved to be futile."

The Parliamentary Committee on Petitions, Lok Sabha, which deliberated on the wage revision during their study visit to Goa on August 21, is learnt to be convinced of the rationale and legitimacy of the demand for wage hike of 15 per cent.

"The committee, to our information, was unanimous in exhorting the representatives of the bank and the Centre to accede to the demand."

Earlier, the forum was informed that the bank has made provision in the balance sheet towards impending wage revision with a 12.5 per cent load hike.

Meanwhile, CH Venkatachalam, General Secretary, **All India Bank Employees' Association**, and S Nagarajan, General Secretary, **All India Bank Officers' Association**, have extended their support to the **strike call** given by peers at IDBI Bank.

66 machines being used for counting demonetised notes: RBI

NEW DELHI, OCT 16: PTI/ BUSINESSLINE

At least 66 sophisticated Currency Verification and Processing (CVPS) machines are being used for counting junked Rs. 500 and Rs. 1,000 notes that were deposited post demonetisation, the Reserve Bank of India has said.

A global tender has been floated for the procurement of new CVPS machines, the central bank said in reply to an RTI query on details of such machines being used for counting demonetised notes in the country.

"As on date 59 CVPS are in operation in RBI for the purpose. In addition to this, seven CVPS available with commercial banks are also being used," it said in response to the RTI application filed by a PTI correspondent.

It said seven CVPS machines were in the process of being leased, while seven others available with commercial banks were also being used.

Referring to leasing charges, the central bank said the information sought was in the nature of commercial confidence and, therefore, exempt from disclosure under Section 8 (1) (d) of the Right to Information (RTI) Act, 2005.

The Section bars "information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party, unless the competent authority is satisfied that larger public interest warrants the disclosure of such information".

In Reserve Bank offices, 59 CVPS machines are used and each machine is operated by a set of five persons under a supervisor who supervises a cluster of machines, the bank said.

"Besides, a number of other people are involved in forward and backward linkages of the processing," it said.

The government had on November 8 last year banned the use of old Rs. 500 and Rs. 1,000 notes but allowed holders to deposit them with banks or use them with certain notified utilities. The notes deposited or

collected are being counted by the central bank at its offices to establish the total number of currency returned and to weed out fake notes.

In its annual report for 2016-17 released on August 30, it had said Rs. 15.28 lakh crore, or 99 per cent of the demonetised Rs. 500 and Rs. 1,000 notes, have returned to the banking system.

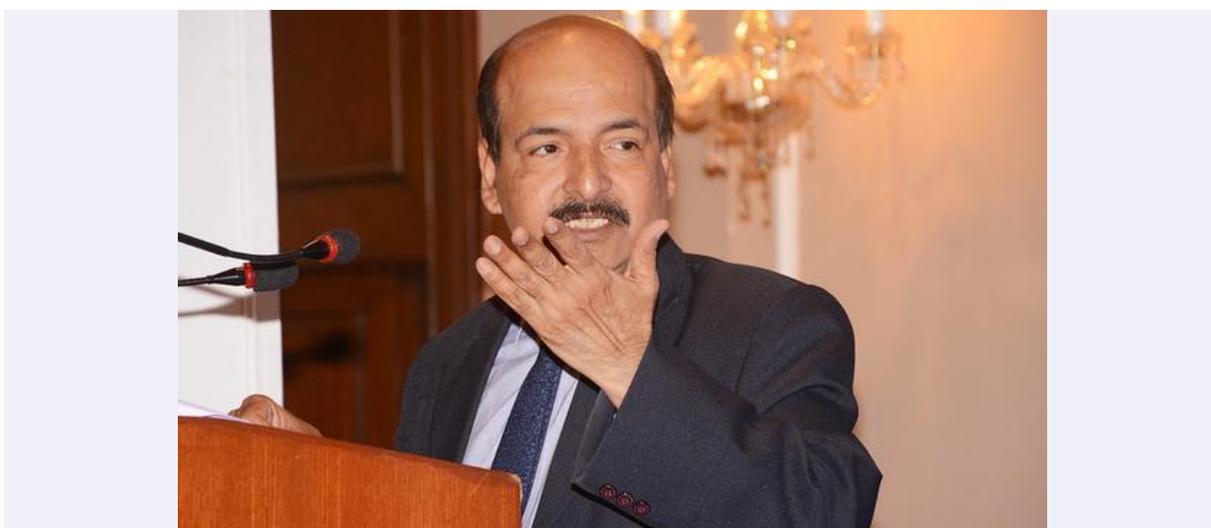
In the annual report, which was for the year ended June 30, 2017, the central bank said only Rs. 16,050 crore out of the Rs. 15.44 lakh crore in the old high denomination notes have not returned.

As on November 8, 2016, there were 1,716.5 crore pieces of Rs. 500 and 685.8 crore pieces of Rs. 1,000 notes in circulation, totalling Rs. 15.44 lakh crore, it had said.

“Subject to future corrections based on verification process when completed, the estimated value of specified bank notes received as on June 30, 2017, is Rs. 15.28 trillion,” RBI had said in its annual report.

While the counterfeit currency notes made for a minuscule number, RBI post demonetisation spent Rs.7,965 crore on printing new Rs. 500 and Rs. 2,000 and other denomination notes, more than double the Rs.3,421 crore spent in the previous year, it had said.

‘Higher provisioning will make bank balance sheets more resilient’



RBI Deputy Governor, NS Vishwanathan, at an interactive session organised by the Merchants' Chamber of Commerce and Industry in Kolkata on Friday

RBI Deputy Governor say NPA, as a percentage of total exposure, is higher in large accounts

KOLKATA, OCT 13: BUSINESSLINE

Stressing on the need for higher provisioning, the Reserve Bank of India Deputy Governor NS Vishwanathan said the required provisioning for the NPA (non-performing asset) accounts referred for insolvency resolution is "nothing unusually large".

According to him, higher provisioning will make banks' balancesheet more resilient; it will also boost credit growth.

"Provisioning by banks needs to be higher to make their balancesheet more resilient and boost credit growth," he said at an interactive session organised by the Merchants' Chamber of Commerce and Industry here on Friday.

The central bank has directed banks to set aside 50 per cent of the loan amount as likely losses for all NPA accounts it has referred to to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC). The provisioning should be 100 per cent in cases that fail to get resolved under insolvency proceedings and are forced into liquidation.

While the common perception is that the provisioning norms stipulated by the central bank for cases referred to the IBC is steeper than required, Vishwanathan was of the view that the higher provisioning is for "expected loss".

Stressed asset

Stressed asset, in general, and the public sector banks, in particular, is a matter of serious concern, he said and added that NPA as a percentage of total exposure is higher in large accounts.

"Globally, there is a move to contain large exposure, and RBI has also aligned its policy in this regard," he said.

A strong insolvency code will improve the long-term credit quality of banks, placing them on a firm footing.

Strong balance sheet will enable banks to deal better with the stressed assets. "Capital constraints, apart from other factors, lead to delay in

recognition of stress. Sub-optimal restructuring will attenuate the problems faced by banks," he pointed out.

Justifying the RBI panel's recommendation of linking bank lending rates to a market benchmark, instead of base rate or MCLR, Vishwanathan said, it will bring "transparency" in the system.

MCLR is based on bank specific issues, therefore there is the need for having an external benchmark for deciding interest rates. It is fundamental to bring transparency in the system. The final rate will be a function of competition. Days of regulating interest rates are over, he said.

Responding to a query on whether the RBI will encourage use of cryptocurrency, Vishwanathan said, "I cannot comment on a policy which is still in the making," hinting at the fact that the central bank might be in the process of preparing a policy on the same.

Cryptocurrencies are digital or virtual money used as medium of exchange in many countries, including India. It uses cryptography to secure transactions and is difficult to counterfeit because of its security features.

PMEAC rejects fiscal stimulus, prioritizes job creation

PMEAC holds first meeting, rejects mid-year fiscal stimulus plan to revive Indian economy, focuses on job creation instead

Gireesh Chandra Prasad



New Delhi: The Prime Minister's Economic Advisory Council (PMEAC) has rejected the idea of mid-year fiscal stimulus to spur a revival in economic growth.

Instead, at the council's first meeting on Wednesday, members listed 10 policy priorities for the government in the run-up to the presentation of 2018-19 budget.

Not only has the PMEAC revived the debate on fiscal stimulus, but also implicitly identified the likely priorities for next year's Union budget.

Briefing reporters after the meeting, chairperson Bibek Debroy said the PMEAC would assist in monitoring public spending and had recommended job creation as the biggest priority.

The PMEAC will chalk out a blueprint to facilitate the integration of the informal into the formal economy. The other focus areas are monetary policy, public spending, agriculture and animal husbandry, institutions of economic governance, patterns of consumption and production and the social sector. The council will finalize its recommendations on five of the 10 identified areas in a month.

"Government's fiscal consolidation exercise should not be deviated from," said Debroy, adding to an ongoing debate in the government for a mid-term fiscal package.

The PMEAC is an independent body designed to guide the government on policy decisions.

The majority view in the government is not inclined towards relaxing its fiscal deficit target of 3.2% of gross domestic product for the current financial year.

On 28 September, finance minister Arun Jaitley had advised state-owned companies to make extra capital spending of Rs25,000 crore over and above the Rs3.85 trillion budgeted for 2017-18 to stimulate economic growth.

N. R. Bhanumurthy, professor at the National Institute of Public Finance and Policy, a think tank, pointed out that the union government has been meeting only part of the Fiscal Responsibility and Budget Management Act provisions—meeting the fiscal deficit target but not necessarily the revenue deficit target. This, he said, "in principle, need not be growth enhancing".

"If at all revenue deficit target is to be relaxed, fiscal deficit target should also be relaxed to ensure that capital expenditure is not compressed," said Bhanumurthy.

According to Debroy, chief economic advisor in the finance ministry Arvind Subramanian, who made a presentation at the meeting, stressed on policy interventions to revive investments and exports.

Due to the temporary disruption in economic activity caused by last November's demonetization exercise and the rollout of GST in July,

economic growth slowed to 5.7% in the April-June period of 2017-18, the slowest pace in three years, from 6.1% in the preceding three months. This has prompted several agencies to lower India's growth forecast.

AIBEA's NATIONAL BANKING CONCLAVE

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MUMBAI, 19TH & 20TH NOVEMBER, 2017

WE SAY : RECOVER & REDUCE BAD LOANS
THEY SAY : WRITE OFF & REDUCE BAD LOANS

**EXPERTS WILL DISUCSS WHICH WAY TO GO
 TO STOP CORPORATE LOOT OF PEOPLE'S MONEY**

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AIBEA THIS DAY – 17 OCTOBER	
1955	Madras AIBEA Conference gives first ever call for indefinite strike from 10-12-1954
1957	Calcutta Compensatory Allowance Struggle : Solidarity strikes by RBI Employees at Calcutta, Lucknow & Patna.



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