



## Unions reject IBA offer for 2% wage hike, threaten strike



MUMBAI, MAY 6, THE HINDU **BusinessLine**

The United Forum of Bank Unions (UFBU) has threatened to call a two-day strike at the month-end to protest against a meagre two per cent wage increase offer to bank employees by the Indian Banks' Association.

UFBU comprises nine trade unions – All India Bank Employees' Association, All India Bank Officers' Confederation, All India Bank Officers' Association, Bank Employees Federation of India, Indian National Bank Employees' Federation, Indian National Bank Officers' Congress, National Organisation of Bank Workers, and National Organisation of Bank Officers, representing the interests of about 10 lakh bank employees across the country.

"During the discussions on Saturday (May 5), IBA offered an increase of 2 per cent over the total wage bill of the banks as on March 31, 2017. Under the last 10th Bipartite Wage Settlement that was made effective

from November 1, 2012, IBA had agreed to a 15 per cent hike over the total wage bill.

"Hence, the unions felt that this offer of IBA was too meagre and did not make any basis for further negotiations. The unions rejected outright this meagre offer of 2 per cent hike," said C.H. Venkatachalam, General Secretary, AIBEA.

Bank employees and officers' wage revision is due from November 1, 2017. The Finance Ministry had advised bank managements and IBA to complete the discussions well in advance and release the revised wages with effect from November 1, 2017.

Venkatachalam alleged that **"..It is regrettable that while the Government has been asking IBA to conclude the wage revision settlement before November 1, 2017, the latter has been delaying the same and the present meagre offer shows that IBA is not serious and they do not want any meaningful negotiations or to conclude the wage settlement early."**

In view of this, it has been decided to take up the issue with the Finance Ministry immediately for their intervention. If the Finance Ministry does not intervene to advice the IBA to make an improved offer, UFBU plans to call a 48-hour continuous strike by the end of this month.

"In the earlier rounds of the 11th bipartite wage settlement, only non-financial aspects were discussed. The discussion on Saturday was the first time that the financial aspect of the wage settlement was taken up. However, we are disappointed with the approach and offer of IBA," said Devidas Tujapurkar, General Secretary, Maharashtra State Bank Employees' Federation.

The unions have called on bank employees all over the country to organise massive demonstrations on May 9. **"It is a matter of shame that while thousands of crores of rupees are written off from the profits towards bad loans of big corporate companies, the genuine demands of bank employees are being denied in this fashion,"** said Venkatachalam.

**WE DEMAND**



**BANK  
EMPLOYEES  
DEMAND  
ADEQUATE  
WAGE  
INCREASE**



**BAD LOANS  
WRITTEN OFF**

Rs. In Crores

2010	11,185
2011	17,794
2012	15,551
2013	27,013
2014	32,595
2015	49,976
2016	59,400

**HUGE CONCESSIONS FOR CORPORATE LOAN DEFAULTERS  
PENALTY AND MORE SERVICE CHARGES ON CUSTOMERS  
DENIAL OF REASONABLE WAGE REVISION TO BANK EMPLOYEES  
SHALL NOT PASS – WE SHALL FIGHT BACK**

**ALL INDIA BANK EMPLOYEES' ASSOCIATION**

## **ICICI board meet may take up allegations against CEO**



**Apart from the bank's results, today's board meet may also discuss Kochhar's tenure**

SURABHI, MUMBAI, MAY 6 BUSINESSLINE

The ICICI Bank board is expected to discuss allegations of conflict of interest against its Managing Director and CEO Chanda Kochhar when it meets on Monday to approve the annual results.

Despite calls for Kochhar to step down, the board so far has staunchly supported her and denied the allegations of any quid pro quo between

Videocon Group and ICICI Bank's chief executive officer (CEO) and her family members, including Deepak Kochhar and his company NuPower Renewables, for a Rs 3,250 crore loan given by the bank in 2012.

The Central Bureau of Investigation and the Income Tax authorities are now looking into the issue. "It is up to the board to decide whether it wants to discuss these issues or just stick to the agenda, which is of approving the annual results," noted a source close to the development, adding that the issue is likely to be discussed, given the concerns raised by various investors.

The ICICI board has six independent directors, including the Chairman MK Sharma and Life Insurance Corporation (LIC) of India Chairman VK Sharma. LIC has over 9 per cent stake in the lender. The government also has a nominee director on the bank's board – Lok Ranjan – the Joint Secretary with the Department of Financial Services.

Last month, ICICI Bank Chairman Sharma had also met with institutional investors to clarify their doubts on the issue, but the lender had denied any talks on a succession plan to replace Kochhar.

In her first public interaction since the allegations broke out, Kochhar will also chair the earnings call with analysts and investors as well as the media on Monday evening after the results.

ICICI Bank is the country's largest private sector lender and analysts expect its net profits to take a hit due to higher provisioning for bad loans. The lender had posted a 32 per cent drop in its net profit for the October to December quarter of 2017-18.

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### **AIBEA DEMANDS:**

**In the wake of serious allegations of conflict of interest, favoritism, and nepotism in sanction of loans to Videocon by ICICI Bank Chairman Chanda Kochhar, it is very important that the issue of non-continuation of Chanda Kochhar as head of ICICI Bank should be discussed in today's Board meeting. Corporate governance is not for preaching alone, it has to be practised also.**

## **PNB fraud: ED refuses to share details of Nirav Modi, Mehul Choksi's seized assets**



NEW DELHI, MAY 6, PTI - BUSINESSLINE

The Enforcement Directorate has refused to disclose under the RTI Act the assets of Nirav Modi and Mehul Choksi seized during its probe into the over USD 2 billion scam in the Punjab National Bank.

However, it had earlier made public on Twitter that assets worth Rs 7,664 crore had been attached in connection with the cases involving the uncle-nephew duo of Modi and Choksi.

The central agency has also refused to disclose expenses incurred on attempts to bring back the two billionaire diamondaires who had fled the country in the first week of January, days before the PNB approached the CBI reporting the biggest scam in the banking industry in India.

Modi was last seen in a group photograph of CEOs with the Prime Minister in Davos which was issued by the Press Information Bureau in January.

The immunity given to the Enforcement Directorate under Section 24 of the RTI Act does not cover information pertaining to alleged corruption. The CBI has booked Choksi and Modi on corruption and fraud charges.

Vihar Dhurve, a Pune-based activist, had sought information from the ED on its officials' travel expenses, lawyers' consultation fee paid in India and abroad to bring back Choksi and Modi.

Dhurve had also sought details of the scam allegedly perpetrated by Choksi and Modi including the Letters of Undertakings the PNB issued to their companies, the money received against these LoUs, the value of assets belonging to the duo seized by the ED.

The ED said it is an organisation listed in the second schedule of the RTI Act. "The applicant is, therefore, informed that the information sought by him in his application cannot be provided in view of the exemption granted under Section 24 read with second schedule of the RTI Act," the central organisation said.

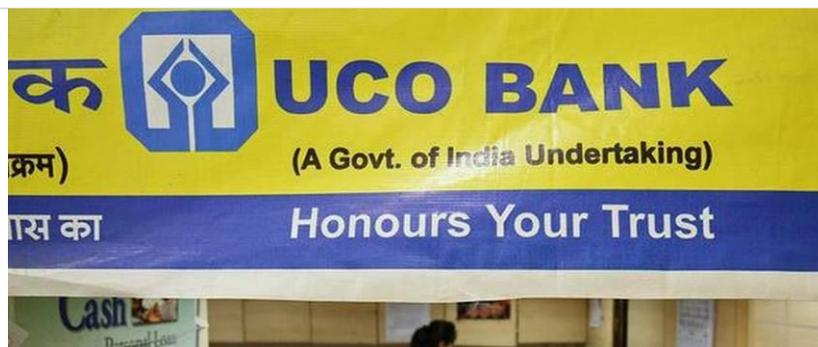
The Section 24 of the RTI Act reads, "Nothing contained in this Act shall apply to the intelligence and security organisations specified in the second schedule, being organisations established by the central government or any information furnished by such organisations to that government; provided that the information pertaining to the allegations of corruption and human rights violations shall not be excluded under this sub-section."

However, the ED had, in a public statement posted on Twitter on March 24, said that it had seized assets worth Rs 7,664 crore during the probe involving the cases of Nirav Modi and Mehul Choksi.

The Delhi High Court had also underlined in a separate case related to the CBI and the IB, both exempt from the RTI Act like the ED, that the information pertaining to allegations of corruption and human rights violation is not excluded from the purview.

"The only conclusion that can be drawn is that — if the information sought pertains to allegations of corruption and human rights violations, it would be exempt from the exclusion clause, irrespective of the fact that the information pertains to the exempt intelligence and security organisations or not, or pertains to an officer of the Intelligence Bureau or not," the bench had said in the order.

## ED files PMLA case in Rs 621-crore UCO Bank loan fraud



NEW DELHI, MAY 6 PTI / BUSINESSLINE

The Enforcement Directorate has registered a case of money laundering in connection with an alleged Rs 621-crore loan fraud involving UCO Bank, officials said today.

The agency has filed a criminal complaint under the Prevention of Money Laundering Act (PMLA) after taking cognisance of a CBI FIR registered last month.

The CBI booked a former chairman and managing director (CMD) of UCO Bank, Arun Kaul, and others in the case. Besides the bank CMD, the CBI booked realty firm Era Infra Engineering India Ltd., its CMD Hem Singh Bharana, two chartered accountants, and Pawan Bansal of Altius Finserve Pvt. Ltd. among others.

The ED will probe if the alleged defrauded bank loans were used to create tainted assets by way of money laundering.

The CBI alleged that the accused persons in pursuance of a criminal conspiracy had defrauded UCO Bank to the tune of about Rs 621 crore by diversion and siphoning off the bank loans, they said.

According to the CBI, Arun Kaul, who was the CMD of a Kolkata-based bank between 2010 and 2015, allegedly facilitated the accused company in obtaining the loans.

The loan was not utilised for the sanctioned purpose, the CBI alleged.

The ED will also work to identify assets of the accused so that they can be attached, if required, during the course of investigation, they said.

In its complaint, the bank alleged that two loans were issued to the company in 2010 — Rs 200 crore in March and Rs 450 crore in October.

The Rs 200-crore loan was issued for repayment of high cost debt to Central Bank of India, Punjab National Bank and IFCI. It was found that the company did not utilise the amount for the purpose for which it was disbursed and diverted the funds.

No amount was used to repay the dues of Central Bank of India and Punjab National Bank, while only Rs 59 lakh was repaid towards dues of IFCI, according to the CBI FIR, now used by the ED.

The chartered accountant (CA) in this case -- Pankaj Jain -- dishonestly and fraudulently did not mention the details of utilisation of term loan in the end-use certificate, the CBI alleged.

In the case of the Rs 450-crore loan, too, the funds were utilised for purposes other than stipulated in the sanction and the end-use certificates given by the CA were intentionally ambiguous and against the fact, it alleged.

The account was declared NPA as on July 7, 2013 by the bank and the present balance as on December 31, 2017 is Rs 737.88 crore," the CBI FIR alleged.

Both the CBI and the ED, the two central agencies, are investigating a number of such bank fraud cases under the respective laws they enforce.

## **Nine in the fray for RBI Deputy Governor's post**

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K.R.SRIVATS, BUSINESSLINE NEW DELHI, MAY 6

### **Search panel to conduct interviews with shortlisted candidates on May 10**

Nine candidates, including two serving bureaucrats and three current Managing Directors of State-owned banks, are in the fray for the position

of RBI Deputy Governor. The position fell vacant after S.S. Mundra completed his term in July last year. A search panel — headed by the Cabinet Secretary — will hold interviews with the nine shortlisted candidates on May 10, sources said.

The search panel — the Financial Sector Regulatory Appointment Search Committee (FSRASC) — includes the RBI Governor; Financial Services Secretary, besides other independent members. Some of the bankers who have been shortlisted are SBI Managing Directors B Sriram and P. K. Gupta and IDBI Managing Director M.K. Jain. There are two applicants from the private sector, including one from a rating agency, who have been shortlisted for the interview, sources said.

It may be recalled that the Government decided to start the process of interviews for the RBI Deputy Governor's post all over again in January this year. The earlier interviews conducted on July 29 last year were not proceeded with by the Government. To be eligible to apply, an applicant this time round should have at least 15 years of experience in banking and financial market operations.

Besides, applicants should have extensive experience as a full-time director or board member and possess understanding at a very senior level of supervision and compliance in the financial sector, the Finance Ministry had stipulated. The last date for submitting applications was February 20. As many as 40 applications were received by the Finance Ministry for the coveted post. The RBI Act stipulates that the central bank will have four deputy governors — two from within the ranks, one commercial banker and an economist to head the monetary policy department.

## **Big wilful defaulters owe PNB Rs 15,172 crore**

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By PTI | May 06, 2018,

Big wilful defaulters owed Rs 15,171.91 crore in loans to Punjab National Bank at the end of March this year.

The data from the bank relates to those wilful defaulters who have taken loans of Rs 25 lakh and above but did not repay despite the ability to do so.

The liability on such defaulters rose by 1.8 per cent from Rs 14,904.65 crore in February.

The public sector lender has been putting out the names of wilful defaulters and firms since June 2017. Within ten months, these defaults have grown by 28 per cent, from Rs 11,879.74 crore.

The major wilful defaulters include chemical manufacturer Kudos Chemie Ltd -- Rs 1,301.82 crore; Kingfisher Airlines -- Rs 597.44 crore; VMC Systems Ltd -- Rs 296.08 crore; Arvind Remedies -- Rs 158.16 crore and Indu Projects Ltd Rs 102.83 crore.

All these companies were provided loans by PNB as part of consortium lending.

Others in the list include Winsome Diamonds and Jewellery -- Rs 899.70 crore; Zoom Developers -- Rs 410.18 crore; Jas infrastructure and Power Ltd -- Rs 410.96 crore; Apple Industries -- Rs 248.34 crore; Nafed -- Rs 224.24 crore; MBS Jewellers Pvt Ltd -- Rs 266.17 crore and S Kumar Nationwide -- Rs 146.82 crore.

For third quarter ended December 31 of last fiscal, 2017-18, PNB's gross non-performing assets (NPAs) or bad loans stood at Rs 57,519.41 crore or 12.11 per cent of the gross advances.

In 2016-17, the gross NPAs were 12.53 per cent of the gross advances at Rs 55,370.45 crore.

Hit by the over Rs 13,000 crore fraud, PNB has been trying to clean up its books. Multiple agencies are investigating the case and working on bringing back the alleged wrongdoers billionaire diamond jeweller Nirav Modi and his uncle Mehul Choksi of Gitanjali Gems, who have fled the country.

## **Rs 2,654-crore bank fraud: CBI court rejects Bhatnagars' bail pleas**

**The CBI has alleged that the DPIL "fraudulently availed credit facilities from a consortium of 11 banks (both and private public sector) since 2008, leaving behind an outstanding debit of Rs 2,654.40 crore as on 29.06.2016."**

By: Express News Service | Ahmedabad | May 6, 2018



**The court held that the case is a serious economic crime and the accused can't be released on bail. (Representational Image)**

A special CBI court on Saturday rejected the bail application of Vadodara-based Diamond Power Infrastructure Ltd (DPIL) promoters Suresh Bhatnagar and his son Sumit Bhatnagar, who are lodged at Sabarmati Central Jail for allegedly defrauding a consortium of banks to the tune of Rs 2,654 crore. Sumit's brother, Amit, who is also an accused in the case, has also filed for regular bail which will be heard on May 10.

Special judge N G Dave pronounced the order, refusing to grant any relief to the father-son duo. The court held that the case is a serious economic crime and the accused can't be released on bail. The CBI has alleged that the DPIL "fraudulently availed credit facilities from a consortium of 11 banks (both and private public sector) since 2008, leaving behind an outstanding debit of Rs 2,654.40 crore as on 29.06.2016."

The FIR states that the firm which manufactures cables and other electrical equipment got the term loan and credit facilities despite the fact

that the “they were already appearing in the RBI’s defaulters’ list at the time of initial sanction of credit limits by the consortium”.

The accused defended that “the actual loan was Rs 1,400 crore and the amount of loan was properly utilised”.

It said that the interest on loan taken from the bank was paid regularly till February 2, 2016 for more than eight years but the banks “took unilateral decision to treat the account as NPA on 16/02/2016 w.e.f. 09/01/2015. This was despite the fact that on 16/02/2016, no amount was due as far as interest is concerned and because of this decision to treat the company as NPA, the financial position of the company deteriorated and bank created a NPA not the borrower.”

<b>AIBEA THIS DAY      MAY 7</b>	
1980	First Convention of Officers sponsored by AIBEA meets at Hyderabad.
1982	AIBEA building opened at Calcutta by Com. Prabhatkar. Also Central Committee meets at Calcutta.
1992	Demonstration in State capitals against Ray Committee Report.
1997	T Chakraborti, Vice President, Directive Committee, Trade Union International attends meeting at Johanesberg.
2005	8 <sup>th</sup> Prabhatkar Memorial Lecture. Ashghar Ali, Engineer



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