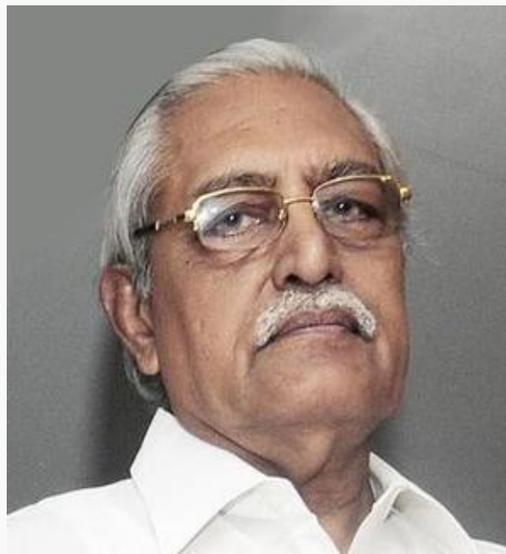




Bank staff to take out morcha to Parliament on Friday, meet PM

: September 11, 2017 VINSON KURIAN
BusinessLine
THE HINDU



C.H. Venkatachalam, General Secretary, All-India Bank Employees' Association

To protest anti-people reform measures in sector

Bank employees and officers will take out a morcha to Parliament on Friday (September 15) against what they describe as anti-people banking reform measures.

Thousands of bank employees and officers are expected to participate in the programme, said C.H. Venkatachalam, General Secretary, **All-India Bank Employees' Association.**

'SAVE BANKS, ECONOMY'

"We propose to meet the Prime Minister and submit a memorandum to him on these issues," Venkatachalam said. "Our demand is save banks, save economy, save nation, and save people."

There is need to further strengthen the public sector banks and open more and more branches to serve the people, he said. But the Centre is trying to privatise the banks.

Public sector banks have registered phenomenal growth during the last four decades. But many private banks have collapsed due to mismanagement by their owners and inefficiency.

The track record of private banks is known to all. In the last 30 years, 30 private banks have collapsed due to mismanagement by private owners.

To ensure that people's money is safe in banks, public sector banks have to be strengthened and not privatised.

'PRECIOUS PUBLIC SAVINGS'

Today, these banks have a total deposit of Rs 110 lakh crore. Privatisation will result in handing over these huge, precious public savings to private hands and is hence not advisable.

Public sector banks alone cater to the credit needs of priority sectors such as agriculture, employment generation, poverty alleviation, women empowerment, rural development, education and health, infrastructure, and exports.

Loans are given at concessional rate of interest. If banks are privatised, their motive will be only higher profits and interest rates will be higher. The priority sector will be neglected with adverse impact on the economy.

The unions also opposed merger of banks since compared to many countries in the world, banking density in India is still very low.

"There are thousands of villages without access to banking facilities. So we need expansion of banks and not consolidation," Venkatachalam said.

'NAME, SHAME DEFAULTERS'

More branches are to be opened in these areas. Consolidation will be needed only when there is saturation to expand. In India there is enough need, scope and space to expand.

In fact the only real issue in the banks, as the unions perceive it, is the alarming increase in bad loans. Banks are saddled with huge bad loans of nearly Rs 15 lakh crore.

The bulk of these bad loans is due from private companies, business houses and corporates. What is required today is their recovery and not the hand-over of banks to them.

The unions demanded that the Reserve Bank publish the list of loan defaulters of more than Rs 10 crore and take stringent measures to recover bad loans.

'UNFAIR SERVICE CHARGES'

Recovery laws should be amended to expedite the process and wilful default should be declared a criminal offence and criminal action taken.

Venkatachalam also referred to what he described as unfair service charges and penalty charges imposed by State Bank of India and others.

While reducing the rate of interest of savings deposits, banks have increased service and penal services for various types of normal banking services.

He faulted them also for waiving loans of big corporates and private companies but burdening general customers.

The unions also demanded withdrawal of the Financial Resolution and Deposit Insurance Bill, which gives sweeping powers, including winding up of institutions and their hand-over to private hands.

Merger of banks not good for Indian economy: Trade unions

SPECIAL CORRESPONDENT MADURAI,

SEPTEMBER 10, 2017 THE HINDU

While the Centre was encouraging private banks to expand, it was keen on merging public sector banks. This "double-standard" is not good for the economy, said speakers at the 22nd biennial conference of Union Bank Employees' Union (Tamil Nadu) and 8th conference of Union Bank Officers' Association (TN), which began here on Saturday.

Pointing out that the Finance Ministry's claim that big banks were good banks was a myth, they cited the case of Union Bank of India. They said

that the UBI had registered profit since inception despite economic slowdown.

The need of the hour was expansion and not consolidation, said C.H. Venkatachalam, general secretary, **All India Bank Employees Association**.

Agreeing that bad loans were a big problem, he clarified that public sector banks should be allowed to publish the list of wilful defaulters and criminal action should be initiated against them.

S. Nagarajan, general secretary, **All India Bank Officers' Association**, said public sector banks were able to open 22 crore Jan Dhan accounts in four months.

Many bank managers were working today under severe stress.

It was nothing but pressure tactics to make them quit on their own, he said and added that trade unions alone would safeguard the interests of both employees and the common man.

He urged the Centre not to meddle with policies as banks were "wealth creators" of the nation.

N. Shankar, general secretary, **All Indian Union Bank Employees' Association**, said that the government's banking policies directly or indirectly helped only a select few.

A look at their accounts suggested that the companies turned sick while the promoters were healthy, he said.

Instead of turning a blind eye to such defaulters, the government should give a free hand to the banks to take stringent action.

Union Bank General Manager (HR) R. R. Mohanty said that the HR initiatives such as installation of a portal had brought employees and management very close. Despite turbulent times, the Union Bank had showed profit in the last quarter, said S. K. Mohapatra, GM.

Earlier, M. Sundararajan, chairman, reception committee, welcomed and A. Chidambaram, general secretary, proposed a vote of thanks.

Have courage to admit that note ban failed: Chidambaram to PM

Sep 10, 2017 | Source: PTI, MONEYCONTROL.COM

The former Union minister blamed demonetisation for much of the trouble the economy is facing, saying it resulted in loss of 1.5 lakh jobs and the 1.4 percentage point drop in GDP growth virtually wiped out the micro, small and medium enterprises (MSMEs).



Senior Congress leader P Chidambaram today dared Prime Minister Narendra Modi to have the "courage" to accept that note ban was a wrong decision.

The former Union minister blamed demonetisation for much of the trouble the economy is facing, saying it resulted in loss of 1.5 lakh jobs and the 1.4 percentage point drop in GDP growth virtually wiped out the micro, small and medium enterprises (MSMEs).

"It does not require courage to make a wrong decision, but it requires courage to accept that you have made a wrong decision. Demonetisation was a wrong decision and the PM should have the courage to accept that he made a wrong decision," he told reporters here.

"Where are jobs? Indirectly, government has admitted its failures. Minister for MSME Kalraj Mishra has been sacked, the skill development minister has been sacked, which means the skill development mission and creating jobs has failed. The labour minister has been sacked because your labour policies have failed," Chidambaram said.

Maintaining that the country is facing a "very bad economic crisis", he said youth are bearing the brunt of the wrong policies of the government.

While 1.2 crore people are joining the workforce annually, not enough jobs are being created, he said.

Chidambaram said many more ministers should have been sacked in the last week's reshuffle, and referred to "failures" in agriculture which has grown at 2 per cent in Q1, and also the change of guard at the commerce and industries ministry, where exports have declined and manufacturing growth is sagging.

Asked if the Congress will seek the PM's resignation over the state of the economy, he said, "It is not easy (to ask) for the PM's resignation....the PM has come to a conclusion that the labour, skill development and MSME policies have failed, for which he has sacked these three ministers."

On Congress' good show in Punjab, Manipur and Goa polls, Chidambaram said it is unfair to conclude that the recent elections were a (positive) verdict on note ban, and added that one should not be "dazzled" by the BJP's thumping victory in Uttar Pradesh.

Terming the so-called Rs 16,000 crore gain from unreturned notes as "illusory", he said the RBI had to spend much more for printing new notes and transporting them.

The eventual quantum of the scrapped currency returned to banks may be more than 100 per cent, and it should be noted that cooperative banks are still collecting old notes and NRIs are still depositing them, he said.

On the concerns raised by former RBI governors Raghuram Rajan and Y V Reddy on demonetisation, Chidambaram said, "No economist in the world feels it was good. Only the BJP version of economics says demonetisation was good."

He said GDP growth has been coming down for six consecutive quarters, falling to 5.7 per cent in the first quarter of FY18, and the economy lost 1.4 percentage points (in GDP growth) since the note ban. The September quarter growth will also be bad, he warned, but did not offer a number.

CLARION CALL FROM UNITED FORUM OF BANK UNIONS

चलो दिल्ली

**संसद पर
मोर्चा**
दिनांक 15 सितम्बर, 2017

**जाओ
खड़े हो
बोलो
और झकझोर दो**

मोंगे

- जन-विरोधी-राष्ट्र विरोधी बैंकिंग सुधारों को समाप्त करें
- खराब ऋणों की वसूली के लिए कठोर कानून बनायें
- कॉर्पोरेट लूट को दण्डनीय अपराध घोषित किया जाये

जनता का धन जनता के कल्याण के लिए है
राष्ट्रीय बचत राष्ट्रीय विकास के लिए है
और न कि निजी कॉर्पोरेट लूट के लिए

एआईबीईए – एआईबीओए

**SAVE BANKS, SAVE ECONOMY,
SAVE NATION, SAVE PEOPLE**

India tried to get the 'black money' out of its banking system — it ended up doing the opposite

India's central bank said in its annual report that almost all of the banned 500- and 1,000-rupee notes were deposited or exchanged. That finding suggests that the country's demonetization move last November failed to weed out illicit cash.

7th September, 2017



India's surprise move to ban several bank notes last November — aimed at rooting out illicit cash — appeared to have achieved the opposite of its intended goal, according to a report from the country's central bank.

The Reserve Bank of India said in its annual report on Aug. 30 that 99 percent, or around 15.28 trillion rupees (\$238.7 billion), of the demonetized 500- and 1,000-rupee notes were deposited or exchanged for new currency. That figure suggests that most people — including corrupt officials, businessmen and criminals said to have hoarded their illicit wealth in cash — have managed to preserve their fortunes.

Undeclared, untaxed and potentially criminal money in the economy was believed to largely exist in big bills, and so the scheme was designed to draw that cash out of the shadows. The thought process was that many bills would not be exchanged, as criminals refused to declare their funds, and so those enterprises would lose out. Instead, the plan appears to have only briefly inconvenienced holders of that so-called black money.

India's Finance Minister Arun Jaitley reportedly told a conference in New Delhi that illegal money had indeed found its way into the banking system, but said authorities are investigating 1.8 million bank accounts and 200 individuals to identify and tax that black money.

Opponents of Prime Minister Narendra Modi were quick to jump on the RBI's findings as proof that demonetization had failed. For one, former Finance Minister Palaniappan Chidambaram asked on Twitter if the whole effort had been a laundering scheme.

"Critics have presented this as overwhelming evidence that demonetisation failed in its stated aim of clamping down on illicit wealth, known colloquially as 'black money,'" Shilan Shah, India economist at Capital Economics, wrote in a Wednesday note.

"After all, the rationale was that demonetisation would penalise those storing illicit cash as they would be unable to declare it," he added.

A report by the Financial Times said complex money-laundering networks sprang up in Asia's third-largest economy after the demonetization scheme was announced. Wealthy individuals, attempting to evade tax authorities, sold the banned notes at a discount to brokers who dispatched low-income Indians to deposit or exchange them at banks.

Others turned to friends and relatives to help channel their undeclared cash into the banking system.

Has demonetization done more harm than good?

More than allowing illicit money to be laundered, India's demonetization exercise did not result in any direct fiscal benefit to the government, Nomura analysts wrote in a note last week.

The RBI's annual report showed its dividend paid to the government fell 53 percent to 307 billion rupees (\$4.8 billion) in the last fiscal year, partly due to a sharp rise in expenditure as the central bank spent more on printing new notes to replace the banned ones.

"To recoup this will require additional belt tightening by the central government as it has already front-loaded some of its spending," the Nomura analysts said.

The economy was also affected by the shortage of cash. Growth slowed to 6.1 percent in the first quarter and moderated further to 5.7 percent in the subsequent three months, official statistics showed. Before

demonetization, India registered a 7.5 percent expansion in the third quarter of 2016.

But not all is lost, analysts said. The move has had "secondary benefits" of encouraging higher due diligence, widening the tax base and boosting digital transactions, DBS economist Radhika Rao said.

Capital Economics' Shah added that the scheme appeared to be a political success for the Modi government.

"After all, the measures enabled PM Modi to demonstrate in a very visible way his commitment to fighting corruption and black money (even though they proved to be a failure). This helped the ruling BJP to secure major victories in state elections earlier this year

AIBEA THIS DAY – 12 SEPTEMBER	
1921	B K Porwal, former Vice President, AIBEA (date of birth).
1997	UFBU meets Prime Minister-Memorandum given on Local Area Banks, Pension, Recruitment etc.
2005	Golden jubilee of Assam Provincial Bank Employees Association



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