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EDITORIAL

At the outset, TNBEF Herald conveys to all our comrades 72nd Independence Day Greetings. The Government of India has finally took the decision to withdraw the Financial Resolution and Deposit Insurance (FRDI) Bill. AIBEA has been pointing out from the initial stages itself that this Bill is draconian and that it is yet another method TO bail out the willful corporate defaulters and to drain away the hard earned savings of the common people through its "bail-in" clause. AIBEA has also focused this issue in its strike call on 28th February, 2017 and 22nd August, 2017 besides highlighting this issue before the Finance Minister of the country while the UFBU delegation met him on 15th September, 2017, after the massive Morcha to Parliament. Naturally, there was panic and anxiety among the banking public resulting in closure of deposits and withdrawals from savings. AIBEA also enlisted the support of the political parties and brought pressure on the Government both inside and outside the Parliament. AIBEA appeared before the Parliamentary Panel and placed its viewpoints against the FRDI Bill. We recall here that our legendary leader, Com. Prabhat Kar, while he was a Member of Parliament, took up the issue of safety of the depositors that paved the way for introductionof Sec.45 of the Banking Regulation Act. The Government, at last, relented and the Cabinet has taken the decision a few days ago and it was informed about its decision to withdraw the FRDI Bill to the Chairman of the Parliamentary Panel examining the proposed legislation. This is a marvelous victory to our struggle against the Bill.

Coming to our fight against the bad loans, AIBEA has cautioned that the velvety treatment being given to the corporate defaulters and business houses through one-time settlements, CDR, SDR, S4A, write-off and concessions, has taken a new avatar in the name of Insolvency and Bankruptcy Code. The Government of India has brought this mechanism to deal with the bad loans. IBC code is being used as an instrument to bail out the willful corporate defaulters and in this process, the banks are subjected to huge "hair-cuts". While AIBEA has been demanding of the Government to recover the piling bad loans, the government has come out with a module to resolve the bad loans problem. While for the big borrowers, it has been concessions all the way, for the small depositors and savings account holders, the banks are squeezing their hard-earned savings through service charges. In the financial year 2017-18 alone, 21 Public Sector Banks and three major Private Sector Banks have levied Rs.5000 Crores as minimum balance penalty. Hence, our fight should be accentuated against this diabolical game of the government to rob the common man to bail out the corporate defaulters.

On the wage revision front, on 30th July, 2018, UFBU and IBA had one more round of discussions. This was the first meeting after the 2-days strike observed by UFBU. During this meeting, the IBA has improved its offer to 6%. UFBU while welcoming the *revised offer but informed that it was not acceptable for its expectations. UFBU also urged upon IBA to increase the offer to adequate level through further negotiations. UFBU delegation also met the Finance Minister, Sri. Piyush Goyal, and submitted memorandum on various issues including on wage revision, embargo imposed on Dena Bank, LIC's stake in IDBI Bank etc.*

Comrades, we are in a crucial juncture. The Government is trying to implement the reforms in the banking sector, which are detrimental to the interest of the nation and its economy. The piling bad loans are becoming a burden on the banks and this is being shifted on the shoulders of the banking public instead of taking effective measures to recover them. IBC has become a route to free the corporate defaulters from repaying their loans. LIC is being permitted by Government, RBI, SEBI and IRDA to take control of IDBI Bank and AIBEA is demanding of the government to honour its commitment to have a stake of 51% in IDBI Bank. These are multiple offensives. In this scenario and backdrop, we are negotiating the XI Bipartite wage revision. While we are confident that AIBEA would leave no stone unturned to secure a satisfactory wage revision, the onus is on us to repulse the attacks confronting the banking industry.

When we celebrate the Golden Jubilee Year of Bank Nationalisation, the offensives against the public sector banks are mounting. We shall have to fight against the menace of bad loans. We shall have to fight for ensuring that willful default is made a criminal offence. We shall have to fight against the action on the part of the bankers to shift the burden on bad loans on the banking public through levy of huge service charges. We shall have to fight against the attempts of the Government to implement the ill-advised banking sector reforms. We shall have to fight to protect the Public Sector Banks. We shall have to enlist the support of the public at large through sustained campaign for our struggles. We shall have to highlight the benefits of Bank Nationalisation not only to the people of the country but also to our members.

We should take the pledge to preserve and protect the Public Sector Banks as they are Nation Building Institutions. Let us strive to strengthen the Public Sector Banks and let us resolve to fight against the privatization of Public Sector Banks. Let us pledge to extend Better Customer Service to the Common People and the Banking Clientele. Let us demand to make Banking a Fundamental Right and to ensure that banking services are made available to all the people of the country. Let us befittingly celebrate the entire 50th Year of Bank Nationalisation.

BANKING & ECONOMY

(A) Banking (As on July 22, 2018)

(Rs. in Crores)

1.	Aggregate Deposits	11438120
	Growth (YoY)	8.2
2.	Investments	3467350
	Growth (YoY)	6.3
3.	Bank Credit	8613170
	Growth (YoY)	12.4
4.	Food Credit	50640
5.	Non-Food Credit	8562530

Details of Bank Credit

(Rs. in Crores)

1.	Loans, Cash Credit and Overdrafts	8398780
2.	Inland bills-purchased	20310
3.	Discounted	135310
4.	Foreign Bills – purchased	23560
5.	Discounted	35210

Foreign Exchange Reserves

(As on July 29, 2018)

S.No.	Items	Rs. in Crores	US $ Million
1.	**Total Reserves**	**2775350**	**404192.50**
1.1	Foreign Currency Assets	2602790	379037.10
1.2	Gold	145390	21201.00
1.3	SDRs	10170	1479.90
1.4	Reserve position in the IMF	17000	2474.50

(B) Ratios and Rates

(As on June 22, 2018)

i.	Cash Reserve Ratio	4.00
ii.	Statutory Liquidity Ratio	19.50
iii.	Cash – Deposit Ratio	4.82
iv.	Credit – Deposit Ratio	75.30
v.	Incremental Credit – Deposit Ratio	-101.57
vi.	Investment Deposit Ratio	30.31
vii.	Incremental Investment Deposit Ratio	1233.48

	RATES	PERCENT
i.	Policy Repo Rate	6.25
ii.	Reverse Repo Rate	6.00

iii.	Marginal Standing Facility (MSF) Rate	6.50
iv	Bank Rate	6.50
v.	Base Rate	8.75/9.45
vi.	MCLR (overnight)	7.90/8.05
vii.	Term Deposit Rate > 1 year	6.25/7.00
viii.	Savings Deposit Rate	3.50/4.00

50th Year of Bank Nationalisation

19th July, 2018, marked the commencement of 50th Year of Nationalisation of Banks. *For it was on 19th July, 49 years ago, the Indian Government Nationalised Fourteen Private Sector Banks. By any measure, this was the defining economic event of not just the 1960s but the next three decades. Its reverberations have stillnot died down. It remains, without any shred of doubt, the single most important economic decision taken by any government since 1947. Not even the reforms of 1991 are comparable in their consequences – political, social and of course, economic.*

From 1951 to 1966, in an effort to consolidate commercial banking, which was very fragile, the number of commercial banks was brought down sharply. In 1951, there were 566 banks; by 1967, just 91 were left. This did not, however, mean that the spread of banking also reduced. On the contrary, there was an increase in number of branches from 4151 to 7025 during 1951-1967. The population per branch office declined from 136000 in 1951 to about 75000 in 1967. But, the expansion of branches was mostly in urban areas and rural and semi-urban areas continued to go unserved. As a result, a number of economic activities, in sectors raning from agriculture to small scale industrial units and the self-employed, did not have proper access to banking facilities.

This led to the widespread political perception that the private sector was not sufficiently aware of its larger responsibilities towards society. The political class became convinced that privately owned banks needed to be informed of the societal requirements of credit. Private Banks were seen as being excessively concerned with profit alone, which made them unwilling to diversify their loan portfolios across different scales of operation of economic units, as this would raise transaction costs and reduce profits.

AIBEA had been consistently writing to RBI and the Government about the malpractices being committed by the industrialists in connivance with the top-level executives of the banks through their unholy nexus. AIBEA demanded that the only solution to check such anti-social activities was to nationalize the banking industry. AIBEA campaigned that the banking should play its proper role in the development of the country.

Vigorous campaign was being launched by AIBEA and on 17thFebruary, 1963, All India Day was observed for Nationalisation of the Banks. Since 1955, AIBEA had been seriously urging for the nationalization of the banking industry. Intense campaigns were launched, meetings and seminars were held. AIBEA and the bank-wise unions besides the State Federations gave memorandum to the MLAs, MPs, and political parties in support of this demand.

The period was 1966, when the country was in the grip of crisis of economy of unprecedented nature, when every monetary step of the Government was failing in its objective. The monopoly capital was taking a grip over the economy of the country to the detriment of the common man, which was indirectly helped by the commercial banks, which was nakedly exposed by Mahalanobis Commission report. The banking system was creating credit for a handful of corporates and their industries, who think of 'self' before the Nation. The process of concentration of wealth in the hands of the few was accentuated by the private banks. AIBEA crusaded that for checking of malpractices in foreign exchange, hoarding in foodgrains, crushing concentration of wealth in the hands of a few, gearing up agriculture, removing disparity in income, checking rise in prices, the Banks should be Nationalised.

The Government of India fully understood that the savings of the public were being channelized to boost the wealth of the industrialists and corporates and the Indian Banking industry instead of becoming an important tool to facilitate the development of Indian Economy was catering to the need of a handful of few.

The then Prime Minister, Smt. Indira Gandhi, in this background both at the political and the economic fronts, expressed the intention of the Government of India in the annual conference of the All India Congress Committee meeting in a paper titled, "Stray thoughts on Bank Nationalisation". The paper was received with great enthusiasm.

The Government of India issued an ordinance and nationalized 14 largest commercial banks with effect from the midnight of 19thJuly, 1969. Within two weeks of the ordinance, the Parliament passed the Banking Companies (Acquisition and Transfer of Undertaking) Bill, and it received Presidential approval on 9thAugust, 1969.

The contributions of public sector banks in the last 49 years have been remarkable, outstanding and sumptuous. The precious savings of the people have been mobilised and augmented into the Banks. These *resources have been made available for national development. Though their contributions have been commendable and laudable, instead of further expanding and strengthening public sector banks, for the past 25 years, from the year 1991, the Government has been pursuing their policy of banking reforms aimed at weakening and diluting the role of public sector banks and their objective is to privatise and hand over the Banks back to the corporates, business houses and capitalists. Due to the continuous struggle of bank employees, privatisation of banks could be thwarted so far but the attempts continue even now.*

Today, orchestrated attempts are being made to marginalize the Public Sector Banks. The Government is allowing free entry of private corporates and business houses to start their own banks and licenses to open Payment Banks, Small Banks are being given without much ado. The whole idea is to encourage private sector banking and to weaken the public sector banks. In April, 2017, when 5 Associate Banks got merged with State Bank of India, it was touted that SBI would become a very strong bank and would be in a big league globally. But, what happened subsequently proved otherwise when SBI reported losses due to piling bad debts.

The only main challenge of Public Sector Banks is the alarming increase in bad loans. It has crossed all acceptable proportions and has reached dangerous levels threatening the sustainability and viability of the Public Sector Banks. However, the Government is trying to help the corporates by trying to resolve the problem of bad loans instead of concentrating and taking effective steps for recovery. The Insolvency and Bankruptcy Code has become a tool to allow the defaulting corporates to escape. As a result, the banks would be writing off huge portion of the bad debts, which are happening right under the nose of the Government such as Bhushan Steel, Electro Steel, Alok Industries etc., wherein the banks had to bear as high as 83% haircuts. The IBC Code is used as an instrument to leave the defaulting willful corporate defaulters scot-free.

Hence, it is for us to fight these offensives when the public money kept as deposits in the Public Sector Banks are being used to bail out the corporates while the common clientele of the banks are forced to pay enormous amount as service charges.

In this background, AIBEA advised all the State Federations and Bank-wise Unions to befittingly observe the Bank Nationalisation Day by distributing leaflets to the general public and customers about the benefits of Nationalisation of Banks, conducting mass meetings, rallies and seminars.

TNBEF conducted a Mass Meeting on 19th July, 2018, at Chennai, which was addressed by the General Secretary of AIBEA, Com. C.H. Venkatachalam. A large number of comrades from various bank-wise unions participated. The Bank Nationalisation Day was also observed with all fervour in various Cities and Towns throughout the State.

CCBIFU Dharna programme – an impressive success

In the background of increasing attacks and challenges facing the banking and insurance sectors, the Coordination Committee of Banks, Insurance and Finance Unions (CCBIFU) had decided to undertake campaign programmes to safeguard the vital interest of our financial sector which deals with huge public savings. As a part of these programmes, it was decided to organise Dharna on 14-7-2018 at various State Capitals on the demanding, "Not to privatise Public Sector Banks, Not to divest in GIC, To stop FDI in Banks and Insurance Sector, To withdraw FRDI Bill, For adequate recruitments in Banks, LIC and GIC, to Stop Outsourcing and Contract jobs and to exepedite wage revision.". In the city of Chennai, more than 400 comrades from Banks, LIC and GIC unions participated and the Dharna was held before the LIC Office opposite High Court, Chennai.

Special Seminar on "Financial Sector – Challenges & Tasks" at New Delhi organized by CCBIFU

After the successful conduct of the Dharna at various Centres throughout the country, with a view to focus on important issues and challenges in the Financial Sector, CCBIFU has organized a special meeting at New Delhi on 9th August, 2018, to strengthen CCBIFU, for discussing on the common challenges in the financial sector and to adopt a declaration to build a joint campaign and to forge larger unity for joint struggles and programmes on issues confronting the Banking and Insurance Sector.

A special seminar on, "Financial Sector – Challenges & Tasks" has also been organized wherein Sri. Jairam Ramesh, M.P., Congress, Sri. Sukhendu Sekar Ray, M.P., Trinamool Congress, Com. D. Raja, M.P., CPI, Com. T.K. Rangarajan, M.P., CPI (M), Com. N.K. Premachandran, M.P. RSP, Com. Amarjeet Kaur, General Secretary, AITUC, would address.

AIBEA demands RBI to remove of embargo on lending imposed on Dena Bank

RBI has issued directive to Dena Bank imposing total embargo on all lending by the Bank and stopping all recruitments and appointments including compassionate ground appointments, it has been decided to take up the issue with the RBI and Government to lift the embargo on lending and allow the Bank to come out of its difficulties.

It is known that most of the Banks are facing problems of increasing bad loans, increased provisions, reduced profits or higher net losses, inadequate capital, *etc. RBI has clamped PCA – Prompt Corrective Action norms on 11 Banks. Hence there is nothing particularly alarming about the health of Dena Bank warranting this singular and unfair treatment.*

Despite these problems, the employees and officers along with the management are doing their best to turn around the Bank by taking all possible measures. But the burden of bad loans, like in any other Bank, is too heavy to be overcome overnight.

Despite all these difficulties, Dena Bank has been posting Operating Profits in the recent years and it is only due to higher provisions for bad loans, that the Bank has ended in Net Loss.

(Rs. in Crores)

	Operating Profits	Provi-sions	Net Profit/ Loss
Mar.2015	1330	1065	+ 265
Mar.2016	925	1860	- 935
Mar.2017	1390	2254	- 864
Mar.2018	1170	3093	- 1923

Thus, the main and the only problem is the increasing bad loans and consequent higher provisions for bad loans that are responsible for the problems facing the Bank. Dena Bank has a burden of bad loans of about Rs. 16,500 crores. The following figures will reveal who is the main culprit.

Total Bad Loans/NPAs	16,500 crores	
Bad loans of 250 big borrowers	13,000 crores	80 %
Dues from 1,25,000 small borrowers	3,500 crores	20 %

Hence, it can be observed that the main culprits are the big borrowers. Instead of punishing these major defaulting borrowers, the Bank and its workforce are being penalised. Not only lending is stopped by RBI, even recruitments and appointments are stopped. Even compassionate ground appointments cannot be made. Whether this is a strategy for recovery and turnaround? Obviously this is an unfair and anti-employee restriction. Turn around is possible if more business is augmented and revenue is increased. This alone would help to neutralise the impact of higher provisions for bad loans. But the RBI is insisting on closure of branches which would reduce the business of the Bank! Dharnas were held at 20 different centres demanding removal of embargo on Dena Bank, to ensure recovery of bad loans, to stop indiscriminate closure of branches and to release recruitments including compassionate ground appointments.

The leaders of AIBEA met the top management of Dena Bank in the Bank's Head office in Mumbai. Shri Ramesh Singh and Dr. R K Yaduvanshi, Executive Directors of the Bank were present during our meeting. From AIBEA, Com. Rajen Nagar, President, Com Nandu Chavan, Vice President, Com C H Venkatachalam, General Secretary and Com Lalita Joshi, Joint Secretary took part in the discussions. During the meeting, leaders of All India Dena Bank Employees' Coordination Committee, Com Kamal Bhattacharjee, Chairman, Com P V Patil, President, and Com S.P Sharma, General Secretary and Com K.S Nair GS, AIDBOU were also present.

AIBEA pointed out in the meeting that about the resentment on the move of RBI in sending such adverse directive to Dena Bank as almost all the Banks are facing similar problems of NPA, capital inadequacy and net losses. Stopping lendings by the Bank would cripple the Bank sooner or later and hence the RBI directive should be withdrawn. It was also pointed out that such a directive also means that even priority sector loans cannot be given by the Bank. AIBEA took up the issue of large scale branch closures as proposed by the management and stated that such attempts should be only to the barest minimum where it is absolutely warranted and that the unions should be taken into account while taking such decisions. It was demanded that normal recruitments and appointments including compassionate appointments should be continued.

While assuring our support and co-operation to ensure that the Bank comes out of its present difficulties, AIBEA urged upon the the top management to take up the matter with RBI and Government and stated that AIBEA and AIBOA would also be taking up the issue with higher authorities to lift the prohibitory directive of RBI on Dena Bank.

Government withdraws FRDI Bill

Ever since the Government introduced the FRDI Bill (Financial Resolution and Deposit Insurance Bill) in the Parliament during the winter session of 2016, AIBEA has been pointing out that this Bill is an anti-people measure and is another method to bail out the corporate defaulters at the cost of the common depositors. This danger was sought to be perpetrated by adding the 'Bail In' clause in the Bill.

This naturally created so much of anxiety and fear in the minds of the common public that their money in the Banks is not that safe and this BJP Government may do anything to endanger their savings. In fact there were huge panic withdrawals and closure of deposits in many branches in various Banks in the wake of the Bill being introduced.

In the All India Strike on 28th February, 2017, this issue was highlighted and awareness was created among the people about the negative aspects of the Bill. Again, in the All India strike on 22nd August, 2017, withdrawal of FRDI Bill was one of the prominent demands. Further, in the massive Morcha to Parliament *programme organized on 15th September, 2017, this issue was focused prominently and this was one of our important demands when UFBU delegation met the Finance Minister after the Morcha. AIBEA has been highlighting that this FRDI Bill is unwarranted since Clause 45 of the Banking Regulations Act provides of merger of an ailing Bank with another Bank and there is no question of liquidating any Bank. In September, 2017, AIBEA appeared before the Joint Parliament Committee and made its detailed submissions and presentation. Throughout 2017, a countywide campaign was organized and in all the meetings, this issue was highlighted. Many political parties were approached and AIBEA urged upon them to take up the issue politically and also inside the Parliament. Congress, CPI, CPI (M), TMC, DMK and many other parties also opposed the Bill. Since FRDI Bill deals with both banking and insurance sector, the issue was taken up by our CCBIFU and this was very much highlighted in the nationwide Dharna programme on 14th July, 2018.*

The issue was highlighted with our strong viewpoints against the FRDI Bill in the social media and in the print and visual media. This was the reason why the Government was deferring the Bill from one session to another. But, looking to the overall protest from all quarters and also looking into the elections next year, the BJP-led NDA Government has decided not to go ahead with the FRDI Bill. A few days ago, the Cabinet has taken the formal decision to withdraw the FRDI Bill. The government has decided to withdraw the controversial FRDI Bill and has informed about it to the chairman of the parliamentary panel examining the proposed legislation.

Comrades, this is a victory to our movement and our struggle against this Bill. It was a struggle in support of the people at large and to protect the hard-earned savings of the people. It was a struggle against the attempts of the Government to bail out the corporate defaulters at the cost of people's money in the Banks.

We recall here the plight of the common people when their precious savings kept in the private banks in those days were lost when hundreds of private banks were closed down due to mismanagement by the owners of these Banks, particularly in Kerala and Bengal. AIBEA took up the issue through agitations and strikes. Com. Prabhat Kar, our great leader and the then General Secretary of AIBEA, being a Member of Parliament took up the matter seriously in the Parliament due to which the safety clause of Section 45 was added in the Banking Regulations Act and Deposit Insurance Corporation was founded to protect the interest of the common Depositors. Thus AIBEA had always been a champion of the people's cause and the withdrawal of FRDI Bill is one of the significant victories to our struggle.

Bipartite talks with IBA

Bipartite talks were held at Mumbai between IBA and UFBU on 30th July, 2018. IBA team was led by Shri R.K Takkar, (MD, UCO Bank), Chairman of the Negotiating Committee. UFBU was represented by all the constituent unions.

IBA revised and improved their offer from 2% to 6% but UFBU informed them that this is not acceptable as the same is nowhere near to expectations. UFBU urged upon IBA to increase their offer to adequate level through further discussions. To the demand to clinch the Index point for merger of DA to work out the new pay scales, IBA stated that this can be taken up in the next round of meeting.

UFBU demanded that the issue of fractured mandate and inclusion of all officers upto scale VII in the wage accord should be resolved and IBA was requested to pursue the matter with the concerned Banks.

Regarding the demand for introduction of 5 Days Banking and weekly holidays on all Saturdays and Sundays, IBA wanted further time to react to this demand as the matter involved consultation with higher authorities/other stake holders.

On the issue of renewal of Medical Insurance Scheme, IBA informed that the revised quote on premium has been received from UIIC both for the serving staff as well as for the retired staff and the issue would be discussed with UFBU in an exclusive meeting on 8th August, 2018.

UFBU pointed out that the issues discussed so far in the Small Committee on non-financial issues need to be cristalised and remaining issues to be resolved. IBA agreed that the next round of meeting of the Small Committee would be held with Officers organisations in the forenoon of 18th August, 2018 and with the Workman Unions in the afternoon.

It has also been decided that the next round of meeting of the Negotiating Committee would be held in the last week of August, 2018 to hold further discussions and to take the negotiation forward.

UFBU Delegation meets Finance Minister

On 3rd August, 2018, the leaders of UFBU consisting of Com. Sanjeev K Bandlish, Convener, Com. C.H. Venkatachalam (AIBEA), Com. Soumyo Dutta (AIBOC), Com. S. Nagarajan (AIBOA), Com. Sunil Mehendiratta (BEFI), Com. K.K. Nair (INBOC), Com. O.P. Sharma (INBEF), Com. Ramnath Kini (NOBW) and Com. Sunil Deshpande (NOBO) met the Honourable Minister for Finance, Sri. Piyush Goyal. The meeting was arranged by Com. D. Raja, Member of Parliament from CPI.

UFBU submitted memorandum to the Finance Minister on the following issues:

- *Wage revision to be expedited*
- *Wage revision should cover all Scales of Officers upto Scale-VII.*
- *Alarming increase in bad loans*
- *Need to withdraw embargo on Dena Bank*
- *Government should not reduce its shareholding in*

IDBI Bank to less than 51%

- Banks should not be asked to issue Aadhaar cards
- Stopping harassment of bank officers
- Immediate filling up the posts of Workman Directors and Officer Directors
- Allocation for Staff Welfare Schemes based on Operating Profits

The issues were explained to the Finance Minister and requested him for favourable action.

IBC is a route to loot: AIBEA

Banking sector has entered a danger zone with non-stop increase in bad loans. Non-Performing Assets in the Banks have reached alarming proportions. It is more than Rs. 15 lac crores. Government has recently admitted in a written reply in the Parliament that there are 9063 Willful Defaulters who together owe Rs. 1,10,050 crores to the Banks. AIBEA has been demanding that atleast the willful defaulters should be brought under criminal proceedings. This is being deliberately skirted and avoided. Our long pending demand to publish the names of the bank loan defaulters is yet to be accepted by the Government and the RBI. But Government is keen that all types of concessions are showered on these defaulters. No wonder, we allege that there is clear nexus between Government, politicians, bureaucrats, bankers and borrowers.

Even in the past also, there have been velvety treatment to the defaulters – one time settlements, interest waivers, compromise settlements, rescheduling, restructuring, CDR, SDR, S4A, provisioning, write off, etc. For the small borrowers, farmers, students, etc. the recovery laws are stringent and they are being unduly harassed. For the big borrowers, it is concessions all the way.

Latest is the IBC – Insolvency and Bankruptcy Code. NDA Government has brought this as a mechanism to deal with bad loans. From AIBEA we demand recovery of bad loans. But Government talks of resolving bad loans. IBC is their resolution module. But RBI has already indicated that in this processes there would be steep haircuts. The haircut is clearly visible now.

In the case of Bhushan Steels, the loan outstanding referred to NCLT was Rs. 56,000 crores. Tatas have taken over this Company for Rs. 35,200 crores. Thus one NPA account is resolved. Neeraj Singhal of Bhushan Steel is free from the entire loan liability. Tatas have gained by getting the Company worth Rs. 56,000 crores for Rs. 35,000 crores. But Banks have lost Rs. 21,000 crores. That is a haircut of nearly 40%.

Then came the Electrosteel Steels deal. The dues to the Banks were Rs. 13,600 crores. Sterlite fame Vedanta has purchased it for Rs. 5,320 crores. Anil Agarwal gained 8,400 crores. Banks sacrificed Rs. 8,400 crores. The haircut is 60%.

Now comes the Alok Industry deal. The Company owes to the Banks Rs. 30,000 crores. Reliance takes over the company for Rs. 5,000 crores. Ambani gains Rs. 25,000 crores. Banks sacrificed Rs. 25,000 crores. The haircut in this case is 83%.

This is just the beginning. More such deals will follow soon. Government is keen to bailout all these corporate defaulters at the cost of the people's money in the Banks.

If this loot is allowed to continue, India may not be a Democratic Republic, it may become a Capitalistic Republic.

AIBEA has cautioned to beware of this loot and to begin our intensified struggle against this attempt of the government to bailout the corporate defaulters at the cost of hard-earned money of the common man.

Minimum balance: Banks penalised customers Rs.11,500 cr

In the last four years, 24 State-owned and privately-run banks have collected over Rs.11,500 crore from their customers for not maintaining a minimum balance in their accounts.

According to information provided by the Finance Ministry in the Lok Sabha on Friday, State Bank of India alone collected over Rs.2,400 crore in the last fiscal (2017-18), while among the three private banks, HDFC Bank had the highest share (Rs.590 crore).

Interestingly, the penal sums collected by three large PSBs in 2017-18 were around 40 per cent of the total charged by 21 public sector banks. SBI had re-introduced charges after a gap of four years from April 1, 2017.

The Reserve Bank of India's Master Circular on 'Customer Services in Banks', dated July 1, 2015, provides that banks are permitted to fix services charges on various services rendered by them. These charges should be in accordance with the policy approved by the bank boards, and "not out of line with the average cost of providing these services".

Accordingly, various banks levy charges on not maintaining minimum account balance. These charges are collected primarily to recover a part of the cost incurred on servicing the accounts.

For example, SBI charges between Rs. 5 and Rs.15 (plus GST) for various levels of shortfall. Its customers are required to maintain an average monthly balance ofRs.3,000 for savings bank accounts in metro and urban areas, Rs.2,000 in semi-urban and Rs.1,000 in rural areas.

Similarly, HDFC Bank customers are required to maintain an average monthly balance of Rs.10,000 in metro and urban areas, and Rs. 5,000 in semi-urban areas while those in rural areas are required to maintain average quarterly balance of Rs. 2,500. Penal charges are between Rs.150 and Rs.600 (plus GST) in metro/urban and semi-urban areas, while it is between Rs.270 and Rs.450 (plus GST) in rural areas.

Basic savings bank accounts, including those under the Pradhan Mantri Jan Dhan Yojana are exempt from the minimum balance requirements.

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Banks are also free to exempt any category of accounts from maintaining a minimum balance. The SBI, for instance, has 10 such categories, that include Jan Dhan accounts, No-frills accounts, salary accounts, Phela Kadam & Pheli Udaan accounts, and accounts of all categories of pensioners.

In the event of a default in maintaining a minimum balance/average minimum balance, the bank should notify the customer by SMS/ email/ letter etc., that penal charges would be applicable. If the customer replenishes the account within a month, the charges would be waived.

Wage accord reached in IDBI Bank

The legitimate demand for wage revision remained unsettled in IDBI Bank and there was a perceptible delay on the part of the management and the government. AIBEA interfered in the matter and alongwith AIBOA gave a strike call on 20th December, 2017. The matter was seized in conciliation and the management and the government gave assurance to conclude the settlement earnestly and thereafter, the strike call was deferred. After several rounds of discussions, we are happy to inform that an accord was reached on 18th/19th July clinching the wage revision for both officers and workmen. Further, from 1.11.2017, IDBI employees and officers would be part of the industry level wage revision settlement with IBA. IDBI Bank would be giving its mandate to IBA for discussions on wage increase. We congratulate the members of All India IDBI Bank Employees' Association and All India IDBI Bank Officers' Association for clinching the wage accord and for their steadfast approach and resilience.

Agitation in Canara Bank

Canara Bank Employees' Union gave a call for All India Strike on 31st July, 2018, on the demands to "stop outsourcing, stop violation of agreed transfer policy, implement existing settlement on recruitment of HKPs and filling up of all vacancies of HKPs, fill up of all vacancies in substaff categories, career progression for HKPs, adequate recruitment of watchmen and armed guards, adequate recruitment in clerical cadre, conversion of all Single Window Operators as SWO "B" from SWO "A", payment of overtime allowance for the days on which employees worked extra hours during the demonetization period, promotion of Ex-servicemen employees in clerical cadre as security officers, relaxation of norms for all for availing car loans, proper staff pattern in all branches, stop discrimination in disciplinary matters and to consider all eligible cases for employment on compassionate grounds as per scheme and to avoid discrimination.

While the members were gearing up for the strike programme, preparatory programme of submission of Mass Memorandum explaining the demands and issues were submitted. On 20th July, 2018, the management of the bank invited the union for discussions. We are happy that after fruitful discussions and positive assurances from the management of Canara Bank, the agitational actions including the proposed strike programme on 31st July, 2018, were deferred.

9th Conference of Canara Bank Employees' Union

The 9th Conference of Canara Bank Employees' Union, Tamilnadu State Committee, was held at Karaikudi on 28th and 29th July, 2018. The Conference was inaugurated by Com. C.H. Venkatachalam, General Secretary, AIBEA. The delegate session of the Conference was inaugurated by Com. Ajay Manjrekar, Joint Secretary, AIBEA and General Secretary of Canara Bank Employees' Union. Com. E. Arunachalam, General Secretary, TNBEF and Com. S.D. Srinivasan, Joint Secretary, AIBEA, greeted the comrades. A galaxy of TNBEF leaders participated in the Conference. Com.T. Chidambaram Pillai, Com. C. S. Venugopal and Com. P.S. Gopalan were elected unanimously as Chairman, Secretary and Treasurer respectively.

D.A. 12 SLABS MORE FROM AUGUST, 2018
D.A. Rates @ 0.10% per slab for 541 Slabs over 4440 points for all cadre/stages: 54.10%

D.A. Rates for Pensioners (%) – 14 Slabs increase			
Retired prior to 01-11-1992 - 1501 Slabs over 600 points			
Upto 1250	1251-2000	2001-2130	Above 2130
1005.67%	825.55%	495.33%	255.17%
After 01-11-1992 upto 31-03-1998 - 1364 Slabs over 1148 points			
Upto 2400	2401-3850	3851-4100	Above 4100
477.40%	395.56%	231.88%	122.76%
After 01-04-1998 upto 31-10-2002 - 1230 Slabs over 1684 points			
Upto 3550	3551-5650	5651-6010	Above 6010
295.20%	246.00%	147.60%	73.80%
Retired on or after 1-11-2002 - 1079 Slabs over 2288 points			
For the entire Basic Pension Amount 194.22%			
Retired on or after 1-11-2007 - 942 Slabs over 2836 points			
For the entire Basic Pension Amount 141.30%			
Retired on or after 1-11-2012 - 541 Slabs over 4440 points			
For the entire Basic Pension Amount 54.10%			

The views expressed in this Journal are not necessarily the views of the TNBEF.
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