



# TNBEF HERALD

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## EDITORIAL

The BJP government at the Centre has completed 3 years on 26<sup>th</sup> May, 2017. The BJP Chief Amit Shah announced that the achievements of the 3-year rule will be celebrated by their party to make people aware of the “wonderful things” this government has done to the country. But, true to its commitment, the government has resorted, in the last three years, to provide all facilities and support to the Corporate Houses. The natural resources like minerals, oil and gas have been handed over to the Corporates and Industrialists. Even public sector units like railways have been forced to be customers of the corporates for all their requirements including petrol and other fuel at the prices that ensure exorbitant profits to them. Almost all profit making PSUs are under hammer and being gradually privatized. Recently, it has been announced that even Air India would be privatized soon. When the BJP government came to power, they promised to bring down the prices and control the inflation. Just the opposite has happened. The Prime Minister has promised to create two crore jobs every year but during these three years 5 crore people have lost their jobs. Crores in unorganized sector are still crying as the demonetisation has snatched away their jobs

and livelihood. The total number of jobs created in the first three years of the BJP government until October, 2016, was a mere 1.51 million, which is nearly 39% less than the 2.47 million jobs created during the previous 3 years.

Demonetisation of higher denomination currencies created a lot of hardship for the common masses. It is quite surprising that a large and populous country like India bore the enormous hardship with stoic acceptance and seemingly supported the government's claim of cleaning up black money and this will probably be a subject of socio-economic research. The pain, disruption and losses suffered were real, while much touted benefits, such as reduction in corruption, end to Naxal and cross-border terrorism have proved false. One doesn't even know how much of banned currency notes came back to Reserve Bank of India.

Many hyped up schemes such as Digital India, Make in India, Start Up India, Stand Up India and Swachh Bharat have been more of talk and less of action. In several key areas, we have a bunch of yojanas (schemes), statutes and ordinances that need to deliver results very quickly. The two



COM. TARAKESHWAR CHAKRABORTI  
FORMER GENERAL SECRETARY, AIBEA BORN: 2 JUNE, 1926, DIED: 2 MAY, 2003

*biggest issues confronting the government now are the massive bad loans of banks and the rollout of the Goods and Services tax (GST).*

*The present BJP government, which finds everything of the UPA government wrong, ironically is following the same path as far as the economic policies are concerned. These retrograde economic policies are making the rich and the corporate richer. The burden on the common masses is on the increase while the concessions shown to the corporates and rich are also on the increase. The policies of the government are favouring the rich while the poor continues to reel under severe economic constraint and deprivation.*

*Public sector is under severe attack with Banking and Financial Sector as special targets. The government not only speaks about mergers and privatization but also quite serious to implement it. While mergers and acquisition may not benefit the country but still the government is trying to proceed with their agenda. The denial of adequate capital to the banks has put the public sector lenders under enormous pressure. A mere Rs.10,000 crores is infused as capital while the estimated capital requirement is around Rs.1,90,000 crores.*

*Bad loans are swelling in the banks but no action is taken for their recovery. Instead all types of schemes are launched to clean the balance sheets, which would only bail out the defaulters and delinquents. RBI Governor, Deputy Governor, Niti Aayog Chief, Economic Advisor, all are berating the same policy of bailing out the corporates through write-offs and selling the loans to Assets Reconstruction Companies. While everyone speaks about the "haircuts" for the banks, which means that sacrifices through write-offs to be made by the banks to clean the bad loans, only AIBEA is demanding to declare willful default as a criminal offence and to take stringent measures to recover the NPAs from the delinquent corporate defaulters. Even though there was a lot of hype to*

*the ordinance about the bad loans, it has turned out to be a damp squib.*

*In this backdrop, on 5<sup>th</sup> June, 2017, Common Charter of Demands for the XI Bipartite wage revision was submitted to the Indian Banks' Association. We shall have to ensure that our jobs and job security are uppermost in our mind and that our hard-won rights should be kept intact while negotiating for betterment in service conditions and wages. The list of management issues submitted by the IBA indicates their agenda. We are sure and confident that, like in the past, AIBEA will be ensuring a satisfactory wage revision for the bank employees this time also without compromising on the fundamental issues and rights.*

*AIBEA has been consistently fighting against the menace of bad loans and the offensives launched to marginalize the public sector banks since last quarter of a century. When we celebrate the 92<sup>nd</sup> Birthday of our beloved leader, Com. Tarakeswar Chakraborty, on 2<sup>nd</sup> June, the initiatives made by him to forge the unity among the trade unions operating in banking industry under the banner of UFBU, being one of its founders, the foresight and vision to fight against the ill-advised banking sector reforms since 1991, should be kept in our mind to carry forward his rich ideals and to wage our battle against the onslaughts facing us today.*

*The government is fast acting against the interest of the public sector banks. Day in and day out, there are statements about mergers and consolidation, re-privatisation of public sector banks etc. The dangers are looming large. The wolves are at the doorsteps. AIBEA has already launched a campaign against these attacks to culminate in Mocha to Parliament on 15<sup>th</sup> September, 2017. These are times for intensive struggles. These are times of consistent and concerted campaigns against these attacks. Let us prepare the members for counter-offensives. Educate and enlist the support of the people for our campaign. Be ready for grim struggles.*

**BANKING & ECONOMY****(A) Banking May 12, 2017***(Rs. in Crores)*

1.	Aggregate Deposits	10641720
	Growth (YoY)	12.1
2.	Investments	3249870
	Growth (YoY)	20.4
3.	Bank Credit	7628650
	Growth (YoY)	5.6
4.	Food Credit	58000
5.	Non-Food Credit	7570650

**Details of Bank Credit***(Rs. in Crores)*

1.	Loans, Cash Credit and Overdrafts	7427260
2.	Inland bills-purchased	2100
3.	Discounted	124170
4.	Foreign Bills – purchased	20430
5.	Discounted	35790

**Foreign Exchange Reserves***(As on May 26, 2017)*

S.No.	Items	Rs. in Crores	US \$ Million
1.	Total Reserves	2445340	378763.50
1.1	Foreign Currency Assets	2289660	354542.20
1.2	Gold	131250	20438.90
1.3	SDRs	9510	1472.20
1.4	Reserve position in the IMF	14920	2310.20

**(B) Ratios and Rates***(As on May 12, 2017)*

i.	Cash Reserve Ratio	4.00
ii.	Statutory Liquidity Ratio	20.50
iii.	Cash – Deposit Ratio	4.63
iv.	Credit – Deposit Ratio	71.69
v.	Increment Credit – Deposit Ratio	149.82
vi.	Investment Deposit Ratio	30.54
vii.	Incremental Investment Deposit Ratio	-122.36

*(As on May 12, 2017)*

	RATES	PER CENT
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	9.10/9.60
vi.	MCLR (overnight)	7.75/8.10
vii.	Term Deposit Rate > 1 year	6.25/6.90
viii.	Savings Deposit Rate	4.00

**92<sup>nd</sup> Birthday of Com. Tarakeswar Chakraborty**

2<sup>nd</sup> June, 2017, marks the 92<sup>nd</sup> birthday of our beloved leader late Com. Tarakeswar Chakraborti. Following the glorious traditions of Com. Prabhat Kar and Com. H.L. Parvana, Com. Tarakeswar rose to lead our movement to champion the cause of the bank employees. He took AIBEA to greater heights of glory and achievement through the path of unity and struggles during his leadership. He led AIBEA as its General Secretary with great sagacity from 1980 to 2003, till his death at the age of 77.

Two decades ago, he gave the call, "Defend jobs and job security, defeat outsourcing, defend public sector and defeat privatization." These slogans are still relevant for which AIBEA is fighting even now. This shows his clear vision and farsightedness in his approach.

**On the occasion of the 92<sup>nd</sup> Birthday of Com. Tarak da, we remember him, recall his unparalleled contributions to our movement, reminisce his inspiring leadership and pledge to walk the path laid by him.**

### ***Bipartite talks on wage revision demands***

A meeting between the representatives of UFBU and the IBA was held on 5<sup>th</sup> June, 2017, in which the full Charter of Demands was submitted to IBA. During the meeting, IBA informed that while mandate has been received from all the public sector banks, some private banks and foreign banks are yet to give their mandate. On submission of Common Charter of Demands, IBA representatives informed that they would go through the Charter of Demands and would endeavour to complete the process of negotiations expeditiously within the timeframe so as to reach the Settlement before October, 2017. The representatives of UFBU emphasized the need to hold regular and frequent meetings to negotiate the demands and complete the settlement well on time. IBA also submitted the list of Management issues, which are given as under:

1. Framework of Compensation package on cost to company and fixed and variable pay concept for officers/workmen.
2. Rationalisation of special pay posts.
3. Review of two graduation increments to workmen employees.
4. Transfer and deployment of workmen employees – Para 536 of Sastry Award.
5. Simultaneous conduct of disciplinary and criminal/judicial proceedings in case of workmen in PSBs.
6. Continuing departmental proceedings post-retirement in case of workmen employees.
7. Premature retirement of a workman in public interest.

8. Outsourcing any activity as per business needs within RBI guidelines.
9. Review of existing provisions of automatic movement of officers from Scale I to II and from Scale II to III in pay scales without any promotion in those grades.
10. To mark lien on NPS fund of employees to recover loss to the bank on account of their proved misconduct.

The next round of discussions would be fixed at the earliest by the end of this month.

### ***AIBEA writes to Prime Minister regarding appointment of Workman Directors***

AIBEA has written to the Prime Minister of the country about the non-appointment of Workman and Officer directors on the Boards of the Banks. AIBEA stated that the vacancies that fell vacant in 2014, 2015 and 2016 are yet to be filled up even though the respective bank-wise organisations have submitted their panel of names. AIBEA highlighted that even though their representatives have met the Finance Minister thrice with its representations and despite his assurance to expedite the process, nothing had happened since last more than two years. In 19 banks, the workman directors have not been appointed while in 20 banks, the officer directors' vacancies are not filled up. Hence, AIBEA sought the personal intervention of the Prime Minister, Mr. Narendra Modi, for filling up the vacancies of workman/officer directors on banks' boards.

### ***RBI refuses to disclose list of loan defaulters***

Reserve Bank of India refused to make public the list of loan defaulters of public sector banks despite the order of the Supreme Court

of India in 2015. RBI, while rejecting the application filed through RTI Act, denied information citing the clauses of economic interests of the State, the commercial confidence and the information held in fiduciary capacity.

The Supreme Court of India said that the RBI is supposed to uphold the public interest and not the interest of individual banks. The Supreme Court held that RBI has a statutory duty to uphold the interest of the public at large, the depositors, the country's economy and the banking sector. However, quoting the same arguments that were rejected by the Supreme Court, the Reserve Bank of India refused to disclose the names of defaulters to the RTI applicant.

### ***Bad loans growth in Private Banks outpaces Public Sector Banks for third quarter in a row***

The share of private sector banks in the banks' bad loans portfolio is about 14%. From their share of 10.6% over a year ago, it has gone upto 14% now. For the past three quarters, gross NPAs of private sector banks have been growing at a scorching 60-100 per cent on a year on year basis. The total year on year jump of gross NPAs in private sector banks stood at a staggering 65%.

Two large private sector banks, ICICI Bank and Axis Bank account for 70% of the total NPAs of all private banks. The bad loans of ICICI Bank stood at around Rs.42,500 Crores as on March, 2017, more than one and half times its NPA about a year ago. Axis Bank trebled its bad loans portfolio to Rs.21,200 Crores as on March, 2017.

According to RBI, loans to the tune of Rs.9478 Crores of Axis Bank and Rs.5100

Crores of ICICI Bank and Rs.4176 Crores of Yes Bank should have been declared as bad loans, which were not treated as bad loans through 'divergence'.

The Securities and Exchange Board of India (SEBI) has sought explanations from the three Private Sector Banks which reported bad loans that diverged widely from the assessment of Reserve Bank of India.

### ***Note ban effect – GDP growth was 6.1% in March Quarter***

India's growth slumped to a 2-year low and the country ceded its top ranking as the world's fastest growing economy back to China in the March quarter, suggesting that the effects of November's note swap were rippling through the economy.

The experts, however, feel that any one single reason would be difficult to be attributed for the growth slowdown but still agreed that the decision to demonetize higher denomination notes did have a significant impact on the slowdown and expected that owing to remonetisation and good monsoon, the economy is likely to pick up in the next two quarters.

Even in April, 2017, eight core industries grew a mere 2.5%, lower than 8.7% recorded in the same month last year. The core industries – coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity – had a very poor growth.

### ***Banks not ready for GST Roll out, says IBA***

Indian Banks' Association (IBA) has informed the Parliamentary panel that all banks are not yet ready for the implementation of the

Goods and Services Tax (GST). IBA said that since GST will be operational from 1<sup>st</sup> July, 2017, banks have to make a lot of changes in their systems and other procedures and the preparedness of the banks for implementation of GST is a question mark. Under GST, various services of the banks would become costlier for the customers.

### ***India has 31% of world's poor kids***

A report of the Oxford Poverty and Human Development Initiative (OPHI), a poverty reduction project, stated that out of 217 million children, more than 50% endure multidimensional poverty. Out of 689 million poor children, nearly 31% live in India much higher than Nigeria, Ethiopia and Pakistan. India accounts for both the highest and a staggering number of multi-dimensionally poor people. More than 528 million (52.8 Crore) Indians are poor, which is more than the number of poor people living in Sub-Saharan Africa combined.

### ***Struggle against RBI's provocations of re-privatisation and merger of public sector banks***

UFBU, protesting against the public statements made by the RBI Governor and Deputy Governor suggesting for re-privatisation of Public Sector Banks, disinvestment, merger and consolidation, reduction of staff through VRS etc., as a measure to solve the NPA issues, has decided to unleash agitational programmes. RBI, being the regulator of banks, instead of suggesting ways and means to recover the piling bad loans and strengthen the banks, is advocating privatization and merger of banks. As a part of organisation action, on 9<sup>th</sup> and 16<sup>th</sup> May, 2017, demonstrations were held throughout the State in all Centres.

On 23<sup>rd</sup> May, 2017, badge wearing programme was observed. UFBU addressed protest letters to the Finance Minister and the Governor, Reserve Bank of India against these provocations and public statements made by the Governor and Deputy Governor of RBI.

### ***Strike in IDBI Bank demanding wage revision***

The wage revision in IDBI Bank is due from 1<sup>st</sup> November, 2012. While wage revision has been completed in public sector banks with the signing of the Bipartite Settlement in May, 2015, followed by wage revision in RBI, LIC, GIC etc., the management of IDBI Bank and the government are unwarrantedly delaying the wage revision to the IDBI Bank employees and officers. The management of IDBI Bank has been taken totally negative and unfair attitude in delaying the wage revision. The ostensible reason given by the bank is that the bad loans have increased and the bank has not been performing well. Even the demand of the unions to extend wage revision at par with our bipartite settlement did not yield favourable results. Hence, All India IDBI Officers' Association and All India IDBI Employees' Association have given a call for strike on 12<sup>th</sup> April, 2017, which was deferred on the assurance of the management to expedite the settlement. However, since there has been delaying tactics adopted by the bank, the agitation was revived and the officers and workmen of IDBI Bank observed a day's strike on 23<sup>rd</sup> May, 2017. Demonstrations were held before IDBI Bank on 22<sup>nd</sup> and 23<sup>rd</sup> May, 2017. AIBEA and AIBOA extended support and solidarity to the strike and decided to take up the issue in all its seriousness to secure early wage revision to employees and officers of IDBI Bank.

## ***Asia Pacific Regional Meeting of WFTU at Chennai***

World Federation of Trade Unions (WFTU) is the first and foremost international trade union organisation representing class-oriented workers. Founded in 1945, WFTU has been championing the causes of the working class for the past more than seven decades. Today, WFTU has more than 92 million members in 110 countries and from all the continents of the world.

AITUC is the founder member of WFTU and today central trade unions in India viz., AITUC, CITU, AICCTU, TUCC, UTUC, AIUTUC are affiliated to WFTU. AIBEA has been a part of WFTU through its affiliation with Trade Union International (TUI) Public Services. Com. Prabhat Kar, Com. Parvana and Com. Tarakeswar Chakraborti were all leaders of TUI. After the formation of TUI for Financial Sector, AIBEA is now affiliated to TUI Banking, Insurance and Finance Sector Unions (TUI BIFU). Com. C.H. Venkatachalam, General Secretary of AIBEA, is also the President of Finance Control Commission and Member of the Presidential Council of WFTU.

The negative and adverse impacts of the Liberalisation, Privatisation and Globalisation measures initiated by various countries under the dictates of World Bank, IMF and WTO, in the name of financial sector reforms have been severe. The Asian countries have become special theatres to implement the neo-liberal economic policies. These retrograde policies are imposed on the huge under-developed and poor population of the countries of Asia that are quite under-developed. Hence, the 17<sup>th</sup> Congress of WFTU held in Durban, South Africa, has decided to expand its activities and struggles

to resist these policies and defend the rights and interests of the workers. In order to better understand the specific situation in the countries of Asia-Pacific region, to exchange our experiences and to work out action plan to forge more struggles, a meeting of the affiliates of WFTU in Asia Pacific Region was held in Chennai on 19<sup>th</sup> and 20<sup>th</sup> May, 2017.

Leaders of unions from Vietnam, Nepal, Bangladesh, Srilanka, Malaysia, Indonesia, Laos, Korea attended this meeting in addition to Indian affiliated unions. **We are quite happy that the WFTU-APRO meeting was hosted by AIBEA.**

On behalf of AIBEA, besides Com. C.H. Venkatachalam, who is the Presidential Council Member of WFTU, Com. Rajen Nagar, Com. E. Arunachalam, Com. C.S. Venugopal and Com. S.D. Srinivasan, participated in the WFTU-APRO meeting as representatives.

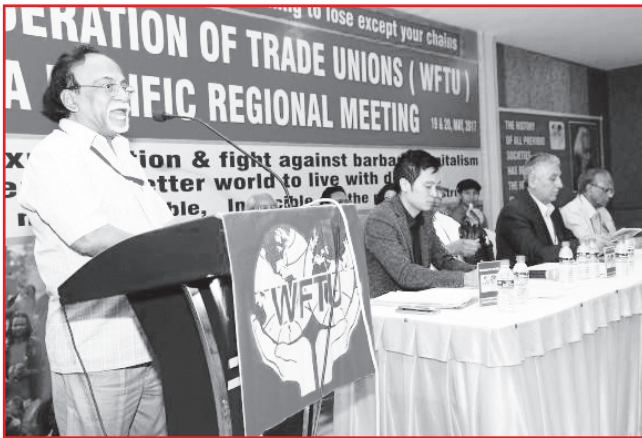
**Com. George Mavrikos, General Secretary of WFTU** participated in the meeting and shared his experiences, gave useful and purposeful suggestions. He also highlighted about the struggles undertaken by the workers in Greece and the economy of that country.

On 20<sup>th</sup> May, 2017, a Special Meeting of the leaders of affiliated unions of WFTU was held at Chennai, in which Com. George Mavrikos, General Secretary, WFTU, spoke and addressed the comrades.

A declaration "**Chennai Conclusions**" was adopted by the two-day WFTU-APRO meeting covering various aspects of the discussions and to carry forward the activities and struggles.



**Com Rajen Nagar handing over memento to WFTU Gen Sec Com George Mavrikos –  
 WFTU GS addressing the meeting**



**Com. H Mahadevan (AITUC) presenting  
 the Report**



**Com. Rajen Nagar, President AIBEA  
 addressing the meeting**



**Com. CHV, Com. Rajen Nagar, Com E Arunachalam, Com S D Srinivasan and  
 Com C S Venugopal in the meeting**

