AIBEA's Banking News

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NEWS BULLETIN FROM ALL INDIA BANK EMPLOYEES' ASSOCIATION

STRIKE NEWS: Bank, Insurance employees participates in 48-hour Nation-Wide General Strike

Hyderabad, Jan 8 (UNI)

Bank and Insurance sector employees participated in the 48-hour nation-wide strike on Tuesday at the call of all Central Trade Unions.

All India Bank Employees Association (AIBEA) General Secretary Ch Venkatachalam told UNI that even though officers in Banks did not join the strike, they have extended fraternal support.

Hence though branches were kept open, normal banking services like cash transactions, clearance of cheques, remittances, bills discounting, Government treasury operations, foreign exchange transactions, negotiation of import and export bills were affected.

Bank employees held demonstrations and rallies across the country along with insurance employees.

The strike was called by Indian National Trade Union Congress- INTUC, All India Trade Union Congress – AITUC, Hind Mazdoor Sabha –HMS, Centre of Indian Trade Unions- CITU, All India United Trade Union Centre- AIUTUC, Trade Union Coordination Centre - TUCC, Self Employed Women's Association - SEWA, All India Central Council of Trade Union - AICCTU. Labour Progressive Front - LPF and United Trade Union Centre - UTUC.

The Strike call in Banking, Insurance and Financial Sector was given by All India Bank Employees Association (AIBEA), All India Insurance Employees Association (AIIEA), General Insurance Employees All India Association (GIEAIA), Bank Employees Federation of India (BEFI), All India LIC Employees Federation (AILICEF), National Federation of RRB Employees(NFRRBE), All India Gramin Bank Employees Association (AIGBEA), All India Gramin Bank Employees Congress(AIGBEC), National Confederation of RRB Employees (NCRRBE), National Federation of RRB Officers (NFRRBO), All India Gramin Bank Officers Association (AIGBOA), All India Gramin Bank Officers Congress(AIGBOC), All India Reserve Bank Employees Association (AIRBEA) All India Reserve Bank Workers Federation (AIRBWF) and All India NABARD Employees Association

Mr Venkatachalam said the Strike is being observed in sectors like Postal, Telecommunication, Defence, Oil, Coal, Steel, Power, Electricity, Road Transport, Port and Dock, Education and added that School/College teachers , State Government employees, Central Government employees, employees in Public Sector Undertakings, Private sector factories, Agriculture workers, Anganwadi workers, ASHA workers and Unorganised sector workers also participating in the strike.

He said the strike was called to demand the Union government to take effective measures to control prices of essential commodities, do not weaken public distribution system, ban speculative trade in commodity market, Take effective measures to create more jobs for youth and reduce unemployment through stepped up recruitments in all sectors and industries.

Strict enforcement of labour laws, tough action on employers for violation of labour laws, Social security cover for all workers and employees, Minimum Wage of not less than Rs 18,000, Assured Pension for all workers and employees, Switch over from NPS to assured pension, Same Wage and benefits for contract workers as regular workers for same and similar work, Stop of disinvestment in Central and State PSUs/Undertakings, Remove all ceilings on payment and eligibility of Bonus, Provident Fund Compulsory registration of trade unions within a period of 45 days and immediate ratification of the ILO Convention Nos. 87 and 98, Stopping the proposed adverse amendments to Labour Laws and Stop indiscriminate FDI in Defence, Insurance, Railways and other core sectors were the other demands.

In addition, the demands relating to banking sector were Strengthening of Public Sector Banks, Stop retrograde banking sector reforms, Stop privatisation of Banks, Do not merge public sector Banks, Recover huge corporate bad loans, Stop outsourcing regular banking jobs and adequate recruitments in all the Banks.

The AIBEA General Secretary said the Central Government wants to privatise public sector Banks. Our Banks today have Rs 118 lakh crore of deposits that is people's money. This cannot be allowed to be handed over the private hands. Further private banks was not given loans to priority sector like agriculture etc. and country will not be benefited.

He said the Centre also wants to merger our public sector banks. Already merged 6 Banks with State Bank of India in April, 2017. Now they want to merge Bank of Baroda, Dena Bank and Vijaya Bank to merge as one Bank from April, 2018. By SBI merger, 6950 branches have been closed in one year. So Bank merger means large scale branch closures. If bank branches are closed, public will get lesser banking services. Employees may lose their jobs. New employees will not be appointed. So merger of banks are unwarranted, the top union leader said.

The only major problem in the Banks is the huge bad loans. It is more than Rs 13 lakh crores. We want the list of these defaulters should be published. We want tough action on these defaulters. Deliberate and willful defaulters like Kingfisher Vijay Mallya should be proceeded under criminal law instead of civil law. Instead the Government is giving them concession. Hence 19 out of 21 public sector banks are in loss. To adjust these losses, Banks are now collecting penalty charge, more service charges, etc. We strongly oppose the same.

Mr Venkatachalam said today there are more than 2 lakh permanent vacancies. Instead of filling up these vacancies, Government wants to outsource these jobs on contract basis. We are opposing the same. We demand adequate recruitment of permanent employees in the Banks. We want jobs for the unemployed youth, he said.

Trains were stopped, buses and auto-rickshaws kept off roads as the 48-hour general strike called by 10 central trade unions against "anti-labour policies" of the central government, hit normal life in the southern state Tuesday.

SBI, private banks open during 2-day strike

Operations in SBI and private sector banks remained unaffected today during the strike as employees of these banks are not part of the striking unions.

Tue, Jan 08 2019. New Delhi: LIVEMINT

Operations in the State Bank of India (SBI) and private sector banks were left unaffected due to the two-day bank strike which began today. Employees of SBI and private banks are not part of the two unions — **All India Bank Employees' Association (AIBEA) and Bank Employees' Federation of India (BEFI)** — which have supported the strike call given by central trade unions on labour issues.

Banking services were affected across branches of several PSU banks like IDBI Bank, Bank of Baroda, Allahabad Bank, Indian Bank, etc as a section of employees refrained from work in support of the strike. According to a PTI report, operations in SBI and private sector banks remained unaffected. In the banking industry, there are around nine major employee unions. Out of them, seven are not part of the strike.

"If the strike materialises, a section of the bank's employees may take part in the proposed strike on the said dates, in which case, the normal functioning of the branches/offices of the bank may get affected," Indian Bank had said in a statement earlier.

Allahabad Bank said the issues and demands are of industry level and strike call is also given at industry level. "Therefore, if the strike takes place, the functioning of branches of the bank may be affected. The bank is taking all the necessary steps in terms of the existing guidelines for smooth functioning of bank's branches/offices on the day of strike(s), in the event the strike materialises," it said in a BSE filing.

Banking services in these banks are likely to be hit tomorrow as well.

This is the fourth bank strike call given in the last 20 days. The first two were on December 21 and 26 with similar demands of a better pay hike and cancellation of the merger of PSUs — Bank of Baroda, Vijaya Bank and Dena Bank.

Agenda for the Jan 8-9 Bharat Bandh

KR Shyam Sundar January 07, 2019

A relentless curtailment of workers' rights has acted as a trigger for the call

Ever since the onset of economic reforms comprising liberalisation and globalisation, employers and global financial institutions have been exerting pressure on the government to introduce organisational and labour law reforms. As result, since 1991, 16 national level work stoppages and several sectoral (like banks) strikes have taken place concerning policies of the government. Even the farmers' rally held recently promoted industrial workers' causes.

A few strikes since 2012 have been spectacular due to the involvement of all major central trade unions (CTUs) including the INTUC and BMS. However, of late BMS has been conducting its own protest programmes for various reasons. The proposed strike on January 8-9, 2019, is the third one during the current NDA rule. Some have dubbed this strike as politically motivated.

It is pertinent to note that during the post-reform period 10 strikes have occurred during the Congress party-led coalition rule for 14 years while seven strikes have taken place during BJP party-led coalition rule for 11 years. However, this strike assumes added significance as it occurs just before the general elections.

Major CTUs and their industry affiliates in banking, insurance, ports and docks and trade unions of self-employed women, street vendors, domestic workers and others in the unorganised sector will be participating in the strike. But unlike the earlier strikes where reportedly more than 100 million workers participated, this strike is unlikely to elicit such a grand participation because BMS, the RSS-affiliated trade union-led Confederation of Central Trade Unions (CONCENT, the so-called non-political union front) comprising break-away factions of TUCC and INTUC and NFITU will not be participating in the strike.

Why are they on strike?

Contrary to popular perception, strikes in the post-globalisation period have occurred in many parts of the world (India, Brazil, South Africa, Greece, Nigeria, France), thanks to the denial of basic labour rights like employment, decent minimum wage, and social security. Trade unions in India, irrespective of factions, are quite frustrated for six primary reasons.

First, anti-worker laws and measures are being taken by the governments in the name of 'ease of doing business'.

Second, the government has not attempted serious and effective social dialogue — during the current NDA rule only one session of the Indian Labour Conference (ILC) has been held, in July 20-21, 2015, while during the two rounds of the UPA rule (2004-2014) six ILCs were held. In the days of economic planning trade unions were consulted by the Planning Commission, and there is nothing wrong with trade unions demanding representation in the NITI Aayog.

Third, their demands for some basic labour rights like trade union and collective bargaining, employment security, decent work, universal social security and minimum wages, among others, have not been met. The proposed Labour Codes potentially could address a few of these but are held up due to poor designing of the Codes and a non-functional Parliament. Even some good measures by the government like extended maternity benefits have not been received well by the firms.

Fourth, when there is enough flexibility in the recruitment system via contract workers, trainees, casual workers and via deep supply chain (informality grows as we move down it), the government resorts to the ordinance route (instead of legislating) to provide fixed term employment option to firms. This has incensed the workers.

Fifth, informality has been made more plausible thanks to systematic weakening of enforcement machinery in the name of reforming it.

Lastly, the economic policies like privatisation (of ports, coal, etc.) and consolidation of banks, which have potential adverse outcomes like unemployment and reduction in wages/benefits, cause tremendous concern to workers.

Some questions

However, one would have expected the working class to widen their struggle agenda to include issues of safety of workers (recent Meghalaya tragedy, for example), environmental concerns (green jobs), gender issues (wage and employment discrimination), social discrimination issues (important in a caste-ridden society), farmer's issues, etc., while they mention public distribution system. Again, the factions-ridden trade union movement and trade unions (INTUC, for instance) is a huge source of concern.

'Rs.70,000 cr. recovery likely by March from 12 big IBC cases'

SPECIAL CORRESPONDENT
NEW DELHI ,JANUARY 03, 2019
THE HINDU

Bhushan, Essar cases in advanced stage of resolution, Jaitley writes in blog

The government expects a recovery of about Rs.70,000 crore from the 12 big companies that were identified for bankruptcy proceedings under the Insolvency and Bankruptcy Code, by March 31, 2019, Finance Minister Arun Jaitley wrote in a blog on Thursday.

According to the RBI, these 12 companies are estimated to account for a quarter of the gross non-performing assets in the system, and so were identified for immediate bankruptcy proceedings.

“Some of the big 12 cases such as Bhushan Power and Steel Ltd. and Essar Steel India Ltd. are in advanced stages of resolution and are likely to be resolved in this financial year, in which realisation is expected to be around Rs.70,000 crore,” Mr. Jaitley wrote to commemorate two years of the IBC.

He added that so far, 1,322 cases had been admitted by the National Company Law Tribunal. He said that the NCLT disposed of 4,452 cases at the pre-admission stage and that 66 cases had been resolved after adjudication, from which creditors had recovered about Rs.80,000 crore. Another 260 cases had been ordered for liquidation. “As per NCLT database, in 4,452 cases disposed at pre-admission stage, the amount apparently settled was around Rs.2.02 lakh crore,” Mr. Jaitley said.

‘Extremely satisfactory’

“The early harvest through the IBC process has been extremely satisfactory,” the Finance Minister added. “It has changed the debtor-creditor relationship. The creditor no longer chases the debtor. In fact, it is otherwise. The NCLT has become a trusted forum of high credibility. Those who drive the companies to insolvency, exit from management.”

The selection of new management has been transparent, he said, adding that there had been no political or governmental interference in the cases.

Mr. Jaitley explained that the effectiveness of the IBC process was arising out of three factors. The first was that debtors were beginning to pay their dues in anticipation of a potential default in order to avoid the prospect of them being removed from management.

The second is that once a creditor’s petition has been filed with the NCLT, the debtors have been paying at the pre-admission stage to prevent the declaration of insolvency. Thirdly, many major cases of insolvency have already been resolved or are being moved to liquidation.

"The functioning of NCLT… has led to a large number of cases being filed," Mr. Jaitley said. "The NCLT is over-crowded, its capacity is now being further enhanced. Realizing the urgency, the Supreme Court has pronounced several judgements expeditiously, laying down the law on the new legislative provisions. The law declared by the Supreme Court will go a long way in interpretation and clarifying the ambiguity, if any. This will expedite the process further in coming days."

RBI scales down printing of Rs.2,000 note to minimum: Finance Ministry official

PTI/ THE HINDU NEW DELHI, JANUARY 03, 2019

The senior official said the RBI and the government from time to time decides on the quantum of currency to be printed on the basis of money in circulation

The printing of Rs.2,000 banknote, introduced post-demonetisation in November 2016, has been reduced to the "minimum" by the Reserve Bank of India (RBI), a top Finance Ministry official said on Thursday.

Soon after the sudden decision to ban old Rs.500/Rs.1,000 currency notes by the government, the RBI had come out with the Rs.2,000 currency note along with a new look Rs.500 note as part of its massive remonetisation exercise.

The senior official said the RBI and the government from time to time decides on the quantum of currency to be printed on the basis of money in circulation.

When the Rs.2,000 note was launched, it was decided that the printing would be "scaled down" going forward, since the new high currency value note was meant for meeting the remonetisation need.

"The printing of 2,000 rupee notes has been substantially reduced. It has been decided to limit the printing of 2,000 currency notes to minimum. This is nothing new," the official said.

According to the RBI data, there were 3,285 million pieces of Rs.2,000 notes in circulation at March-end, 2017. A year after (on March 31, 2018), there was only a marginal increase in the number at 3,363 million pieces.

Of the total currency in circulation amounting to Rs.18,037 billion at end-March 2018, Rs.2,000 notes accounted for 37.3%, down from 50.2% at end-March 2017.

The old 500/1,000 banknotes that were scrapped in November 2016 accounted for around 86% of the total currency in circulation at that time.

Ease capital requirements for banks: House panel

REUTERS NEW DELHI, JANUARY 03, 2019 THE HINDU

Stringent RBI norms unrealistic, unwarranted, says report

A parliamentary panel on Thursday asked the central bank to ease its rules on capital requirements for banks so that they can increase lending.

"Such stringent norms stipulated by the RBI (Reserve Bank of India) for our banks ... is unrealistic and unwarranted," said a report tabled in parliament by the Parliamentary Committee on Finance.

The report comes after the government and some of the board members of the RBI have put pressure on the central bank to relax capital requirements for banks as they seek to boost credit and economic growth. Former RBI governor Urjit Patel, who quit last month, opposed the government's demand for lowering capital requirements and warned about the need for a cushion to offset unexpected risks.

Indian banks are required to maintain a minimum capital to risk weighted asset ratio (CRAR) at 9%, against the global Basel-III requirement of 8%. On top of that, they have to keep a capital conservation buffer that is supposed to climb to 2.5% by March 2019. The rollback of additional capital requirements could release about Rs.5.34 trillion ($76 billion) into the economy by releasing capital for lending. On Friday, the RBI, in a report, opposed the call to relax current risk weighting rules used to calculate capital requirements, saying they fortified banks against the risk of failure. However, it did announce its intention to review capital regulations.

'Dilution may harm'

The ratings agencies have warned against dilution of capital norms for banks.

Saswata Guha, country director, financial institutions, at Fitch Ratings, said capital ratios for many banks were well below global standards and any relaxation could prove detrimental to banks and their ability to absorb unexpected losses.

Object of IBC paramount, says NCLT

Piyush Pandey THE HINDU
MUMBAI ,JANUARY 03, 2019

Directs Unimark IRP to consider bid placed after last date; order may have bearing in Essar Steel case

The Mumbai Bench of the National Company Law Tribunal (NCLT) has observed that rejection of a resolution plan on technicalities, without going into its merits, goes against the spirit of the Insolvency and Bankruptcy Code.

Hearing the case of the applicant Omkara Assets Reconstruction Private Limited, the applicant, against the Interim Resolution Professional (IRP) of Unimark Remedies Ltd., the corporate debtor, the NCLT Bench noted that the applicant had submitted a resolution plan to the interim resolution professional (IRP) on December 11, 2018, even though IRP had set October 31, 2018 as the deadline.

The applicant submitted that the CoC, at the 13th meeting held on December 12, 2018, refused to open the envelope containing the resolution plan submitted by the applicant solely on the ground that it was submitted after the cut-off date.

Omkara alleged that the CoC acted in an arbitrary manner by refusing to accept the plan submitted by it and contended that no harm or prejudice would be caused to the company or the CoC or the corporate debtor, if the plan submitted by the applicant was considered purely on merit.

"It is clear that the resolution applicant had approached the IRP with a proposal at the 12th hour, but certainly before accepting or finalisation of any resolution plan," the NCLT Bench comprising Justice Bhaskara Pantula Mohan and V. Nallasenapathy noted. The Bench directed the IRP to conisder the bid on its merits.

The verdict may have bearing on the proceedings in the Essar Steel case, where the NCLT Ahmedabad is seized with similar circumstances.

The CoC for Essar Steel had given its nod to an ArcelorMittal bid for the company under the IBC framework.

The original promoters of the beleaguered steel firm had put in a higher bid after the last date was over.

A day later, the CoC decided in ArcelorMittal's favour. In Omkara's case, the Bench observed: "Keeping in view the very object of the code, when there is a clash/conflict between the regulations and the code, the object of the code is paramount and not the regulations which are formed only for the just implementation of the code."

'Expedite proceedings'

Separately, the National Company Law Appellate Tribunal has asked the Ahmedabad Bench of the NCLT to expeditiously take the final decision in the Essar Steel case, where the CoC's selection of ArcelorMittal as the highest bidder is being contested by Essar Steel's promoters. The next hearing for the case may come up on Monday, January 7.

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