



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)
163/4, Kutchery Road, Mylapore, Chennai - 600004
E mail i.d: aiubparf@gmail.com/ ubioatnng@gmail.com/ suryanarayananram@gmail.com

Com. P.B. Thomas
Chairman
Thiruvananthapuram
M: 09447177456

Com. Nitin Desai
President
Ahmedabad
M: 097277 60641

Com. S. Bagchi
Working President
Kolkata
M: 0983081586

Com. N. Govindarajulu
General Secretary
Chennai
M: 09841089111

Dear Comrades,

7th August , 2017

News of Interest 7th AUG

MOTIVATIONAL QUOTES

“DEFEAT IS NOT THE WORST OF FAILURES. NOT TO HAVE TRIED IS THE TRUE FAILURE. “
GEORGE EDWARD WOODBERRY

HIGHLIGHTS

- 1. INCOME-TAX DEPARTMENT IDENTIFIES 30,000 CASES FOR SCRUTINY**
- 2. BANK OF BARODA FOLLOWS SBI, CUTS SAVINGS RATE BY 50 BPS**
- 3. PUNJAB NATIONAL BANK CUSTOMERS TO PAY HIGHER CHARGES FOR NON-CREDIT SERVICES**
- 4. INDIAN BANK SETS UNDER-5 PER CENT GROSS NPA TARGET BY MARCH**
- 5. BANK UNIONS SERVE NOTICE FOR NATIONWIDE STRIKE ON AUG 22**
- 6. WAGE TALKS: BANKS MAY NOT REVISE STAND ON FEWER OFFICER SCALES**

Business Standard

1. Income-tax department identifies 30,000 cases for scrutiny

E-filing of tax returns jumps 21% till August 1

Dilasha Seth

The government will scrutinise 30,000 cases among taxpayers, individual and non-individual, who tried regularising their unaccounted incomes by filing returns in response to the note ban in November last year.

Meanwhile, there has been 21 per cent growth in the online filing of tax returns as of August 1, with 23.3 million individuals filing returns for the financial year 2016-17,

against 19.2 million in the corresponding period last year, when growth was 10 per cent.

The jump could owe to demonetisation, the introduction of the goods and services tax (GST), and other back money-deterrent measures announced by the government.

"We have selected 30,000 cases for partial scrutiny and full scrutiny of entities and individuals who tried to regularise their unaccounted income during demonetisation," said a senior official in the Central Board of Direct Taxes (CBDT).

The income-tax (I-T) department has identified people who either showed a significant jump in 'cash in hand', or filed a return for the first time, reporting a big sum.

"There are many cases whose cash in hand reported in the tax return does not match their income reported in previous years. There are others who filed a return for the first time showing a cash in hand of Rs 10 lakh or Rs 20 lakh. How do you justify that? They will now face scrutiny," said the official.

There are people who revised their returns for the previous two fiscal years to avoid coming under scrutiny, but have now been identified by the I-T department.

The I-T department has a steep collection target of Rs 9.8 lakh crore, a growth rate of 15.7 per cent, compared to 14.3 per cent in the previous fiscal year. The I-T rate on income between Rs 2.5 lakh and Rs 5 lakh has been cut to 5 per cent from 10 per cent from the current year.

The strategy includes litigation management, disposing of high-value cases, scaling up searches and seizures, strengthening systems and investigation teams, and tying up with global data mining companies for information gathering.

The last date for filing returns was extended to August 5, and the government on Friday said that all I-T offices would remain open till midnight on Saturday to facilitate return filing.

The advance tax paid by individuals recorded 40 per cent growth in the first quarter of the fiscal year, which could be an aftermath of demonetisation, with more non-corporates recording higher incomes in their books.

After demonetisation, the tax department conducted searches on 900 groups of people up to March this year, resulting in seizures of Rs 900 crore and people admitting to having undisclosed incomes of Rs 7,961 crore. Besides, 8,239 surveys were conducted and they detected undisclosed incomes of Rs 6,745 crore.

In the current fiscal year, the tax department has seized assets worth Rs 103 crore after conducting searches on 102 groups that admitted to undisclosed incomes of Rs 2,670 crore.

The department has also conducted surveys in 202 cases, leading to a detection of black money of Rs 150 crore.

The government had come up with two income declaration schemes last year, providing an opportunity to black money holders to disclose unaccounted income by paying the tax and penalty.

The Income Declaration Scheme fetched the government close to Rs 12,000 crore in the last fiscal year, and another Rs 10,000 crore from that is expected this year due to the staggered payment option.

The taxman is watching you

Why?

They tried to regularise unaccounted income by filing tax returns

What kind of cases are these?

Cash in hand reported is significantly higher than the income declared in the previous years

People who filed returns for the first time reported cash in hand of Rs 5 lakh/Rs 10 lakh

What will be the action taken?

Notices have been sent by the tax department. If found to be a defaulter, he/she will face a penalty of 50-200%

Note ban triggers higher returns

E-filing of returns sees 21% growth up to August 1 at 23.3 million filers, up from 19.2 million filers last year

I-T offices to remain open till midnight today

To facilitate manual filing of I-T returns on August 5, the CBDT has directed necessary arrangements be made for receiving ITRs up to midnight in all its offices

2. Bank of Baroda follows SBI, cuts savings rate by 50 bps

However, for balance above of Rs 50 lakh, the bank has retained the rate at 4%

Press Trust of India

Within days of SBI slashing interest rate on savings bank account, another PSU bank - Bank of Baroda, has followed suit, cutting it to 3.5 per cent on deposits of up to Rs 50 lakh.

"We wish to inform you that it has been decided to introduce a 2-tier savings bank interest rate (from) August 5..." the bank said in a regulatory filing.

Effective tomorrow, the interest rate on savings bank balance of up to Rs 50 lakh has been reduced to 3.5 per cent from the current annual 4 per cent.

However, for balance above of Rs 50 lakh, the bank has retained the rate at 4 per cent.

On July 31, the country's largest lender State Bank of India had slashed interest rate on savings account deposits by 50 basis points to 3.5 per cent on balance of Rs 1 crore and below.

However, SBI continues to offer 4 per cent interest on savings account balance of Rs 1 crore and above.

More banks are likely to follow suit.

3. Punjab National Bank customers to pay higher charges for non-credit services

Come September, PNB customers will have to pay charges for depositing cash above Rs 5,000 in a non-base branch even if it is located in the same city.

By: PTI

Come September, PNB customers will have to pay charges for depositing cash above Rs 5,000 in a non-base branch even if it is located in the same city. Currently, the

customers of Punjab National Bank (PNB) are levied charges only for depositing cash over Rs 25,000 at a non-base branch within the same city. "It has been decided to revise the non-credit related charges (exclusive of GST) with effect from September 1, 2017 for cash deposit above Rs 5,000 at other than base branch within the same city," PNB said in a communication to customers.

A customer will have to pay Re 1 per Rs 1,000 for above Rs 5,000 cash deposit or part thereof with a minimum of Rs 25 per transaction. At an outstation branch, cash deposit up to Rs 5,000 will be free of cost from September 1, which at present is limited for Rs 25,000. While, for above Rs 5,000 cash deposit at outstation branch, the bank will levy Rs 2 per Rs 1,000 or part thereof with a minimum of Rs 25 per transaction. The bank has also revised upwards the cheque returning charges for a payment of above Rs 1 crore to Rs 2,000 for first cheque and Rs 2,500 for subsequent bounces.

Currently, for a cheque return of above Rs 1 crore, the charges are Rs 1,000 for first cheque and Rs 1,500 for subsequent instances. At the same time, the bank has steeply raised the locker facility charges in metro branches for different types of lockers. The locker rent is being raised by 25 per cent for small, medium, large and extra-large sizes to Rs 1,500, Rs 3,500, Rs 5,500 and Rs 10,000, respectively, for metro branches. Earlier such charges were Rs 1,200, Rs 2,800, Rs 4,500 and Rs 8,000, respectively. Besides, PNB will levy a premium of 25 per cent of the locker rent in 22 identified branches, 19 of which are in Delhi, one in Gurgaon and two in Faridabad.

The Delhi branches are: Jangpura Extension, South Extension, GK II, Kalkaji, Sahkaurbasti, Krishna Nagar, Preet Vihar, Suraj Mal Vihar, Model Town, Mall Road, Patparganj, Madhuban, Vikaspuri, Sector 12A Dwarka, Sector 12 Dwarka, Dwarka, New Rajinder Nagar, Punjabi Bagh and Rajauri Garden. Of others, Gurgaon Sector 4, Sector 37 Faridabad and Old Faridabad are the branches to attract a 25 per cent premium on locker rentals. All the charges are exclusive of Goods and Services Tax (GST) which came into effect from July 1 this year and attract a charge of 18 per cent, up 15 per cent from previous tax regime charges.

Economic Times

4. Indian Bank sets under-5 per cent gross NPA target by March

PTI

State-run Indian Bank is looking to bring down its gross non-performing assets to below 5 per cent by March from over 7 per cent in the June quarter on the back of better recoveries, upgrades and write-offs, a top official said.

The Chennai-based lender is also targeting to improve its net interest margin to 3 per cent from 2.79 per cent now.

"We will contain our gross NPAs below 5 per cent from the present 7.21 per cent by the March quarter as we expect better recoveries, upgrades and write-offs this year from which we are targeting Rs 2,000 crore," managing director and chief executive Kishore Kharat told PTI in an interaction.

Net NPA will be reduced to below 3 per cent from 4.05 per cent in the June quarter, he added.

In June quarter, gross NPAs jumped to 7.21 per cent from 6.97 per cent last year. In June quarter, its provision jumped to Rs 880 crore from Rs 596 crore a year ago.

Kharat said provisions increased due to ageing of NPAs and also as the bank prudentially did additional provisioning. "It led to an increase in our provision coverage ratio to 61.65 per cent in the June quarter from 53 per cent in the year-ago period."

Kharat said the bank has an exposure to eight of the 12 largest stressed accounts which RBI had asked banks to refer to NCLT for insolvency proceedings in mid-June.

Its exposure to these eight accounts is Rs 2,800 crore for which it has set aside Rs 130 crore in provisions in the June quarter. "In the coming three quarters, we will have to do a total provisioning of Rs 364 crore for these accounts."

Besides these eight accounts, the bank has also identified seven more accounts worth Rs 1,200 crore which will be referred to the NCLT for insolvency proceedings. The bank has already taken two of these accounts to NCLT and others are under process.

The lender has identified nearly 6,000 accounts worth Rs 535 crore for sale to asset reconstruction companies in the June quarter. These accounts are from small MSMEs and retail sectors, he said.

Kharat said the bank is looking to raise Rs 1,200 crore via qualified institutional placement before December and has already appointed merchant bankers for this. "We do not require any capital from the government after this QIP as our capital adequacy ratio will be at 15 per cent."

The bank is also reviving its home finance subsidiary Ind Bank Housing. "We are going to put extra capital into Ind Bank Housing and will restructure the existing portfolio."

Ind Bank Housing, set up in 1991, though performed well during the initial years, it started showing financial strains due to high NPAs, making net worth negative.

Following this it was forbidden from accepting public deposits forcing the company to stop home loans from 2000.

Business Line

5. Bank unions serve notice for nationwide strike on Aug 22

VINSON KURIAN

The United Forum of Bank Unions (UFBU) has served a notice for a nation-wide bank strike on August 22.

The UFBU has listed a number of demands in support of its strike call, on which it has demanded action from the Indian Banks' Association (IBA).

ACCOUNTING FOR NPAS

Among its demands are a halt to the moves aimed at privatisation of public sector banks and mergers and consolidation while not writing off corporate non-performing assets (NPAs).

Wilful default of loans has to be declared a criminal offence but accountability of the top management/ executives needs to be ensured.

Stringent measures must be put in place to recover bad loans. Recommendations of a Parliamentary Committee for the purpose must be implemented.

The burden of corporate NPAs should not be passed on to customers in the form of higher service charges, nor should the Goods and Services Tax be used as a ruse to hike them.

The UFBU has demanded the withdrawal of the proposed FRDI (Financial Resolution and Deposit Insurance) Bill as also scrapping of the Banks Board Bureau.

DEMONETISATION COSTS

It is pushing for reimbursement of costs of demonetisation and other government schemes to banks; settlement of issues of employees and officers thereof; and filling up of posts of employees/ officers directors in banks.

The UBFU has demanded that the scheme for appointments on compassionate grounds be implemented and the gratuity ceiling under Payment of Gratuity Act, 1972, be removed.

Gratuity and leave encashment must be totally exempted from income tax on retirement. The pension scheme must be made on a par with the RBI/ Central Government scheme for past retirees.

The erstwhile pension scheme in banks in lieu of NPS as a follow-up on record note of May 25, 2015, should be extended and adequate recruitment be made to all cadres.

6. Wage talks: Banks may not revise stand on fewer officer scales

VINSON KURIAN

Bank managements may not budge from their stand to revise a mandate given to Indian Banks' Association (IBA) for limiting wage negotiations applicable for officers from Scale I to III.

The unions had requested for a revised mandate to enable them to negotiate on behalf of all scales (I to VII), a convention, they say, is based on the Pillai Committee recommendations.

But the managements are learnt to have stood their ground at a meeting of a sub-committee set up to discuss wage demands of officers of a non-financial nature and held in Mumbai on Thursday.

The sub-committee has representatives of bank managements as well as of officer unions.

The unions have urged the management representatives to take up the matter with the bank managements concerned since this could prove crucial to the success of the wage talks.

The unions expressed a collective wish to take the dialogue to its logical end but requested that the IBA not 'precipitate matters'.

Listed demands

Other non-financial demands listed include: five-day week; regulated working hours; an accountability policy; improvement and uniformity in the discipline and appeal regulations; appointments on compassionate grounds; and branch categorization. Family pension and 100 per cent DA neutralization for pre-November 2002

pensioners too are on the list. The chairman of the sub-committee expressed resolve to address the outstanding issues, sources said.

But the chairman enjoined on the unions to keep in mind the state of the industry while pushing for their demands.

The meeting agreed to form a smaller committee to address problems encountered in the discipline and appeal regulation, which is pending from the last wage revision, and a uniform accountability policy.

Branch categorizations

With regard to categorization of branches, the management representatives felt it be left to individual banks to decide.

The sub-committee is chaired by Prashant Kumar, Deputy Managing Director, State Bank of India, and included the following general managers of member banks: SK Choudhary (Bank of Baroda); B Ashok (Central Bank of India); K Virupaksha (Canara Bank); Ujwal Kumar (UCO Bank); MK Biswal (Bank of Maharashtra); and VG Kannan, CEO, IBA, along with human resources functionaries.

Those who represented the officer unions included: Dilip Saha and Y Sudarshan (AIBOC); S Nagarajan (AIBOA); KK Nair (INBOC); and Sunil Deshpande (NOBO).

With kind regards,

Yours Comradely,



(N. GOVINDRAJULU)
GENERAL SECRETARY