



**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](mailto:aiubparf@gmail.com)/ [ubioatnng@gmail.com](mailto:ubioatnng@gmail.com)/ [suryanarayananram@gmail.com](mailto: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,**

**1st February , 2017**

**News of Interest 1st FEB**

**MOTIVATIONAL QUOTES**

“WHATEVER YOU WANT IN LIFE, OTHER PEOPLE ARE GOING TO WANT IT TOO. BELIEVE IN YOURSELF ENOUGH TO ACCEPT THE IDEA THAT YOU HAVE AN EQUAL RIGHT TO IT. “

DIANE SAWYER

1. BUDGET SPEECH TO BE DELIVERED AS PER SCHEDULE: GOVT SOURCES
2. BUDGET 2017 TO TRY AND EASE PAIN FROM CASH CRUNCH
3. INDIA POST PAYMENTS BANK KICKS OFF PILOT SERVICES
4. ICICI BANK Q3 NET FALLS 19% TO RS 2,442 CR; BAD LOANS RISE
5. WHAT WOMEN AND OTHER TAXPAYERS EXPECT FROM UNION BUDGET 2017
6. PROVISIONING PUSHES SBH INTO ₹620-CR LOSS
7. UCO BANK CUTS LOSSES BY 71% IN THIRD QUARTER
8. SYNDICATE BANK POSTS RS 93.6 CR NET PROFIT

Business Standard

**1. Budget speech to be delivered as per schedule: Govt sources**

There had been some confusion over presentation of the Budget following the death of MP E Ahamed

Archis Mohan

Government and Parliament secretariat sources said the Budget speech by Finance Minister Arun Jaitley would be delivered according to schedule on Wednesday.

Amid confusion over whether the Parliament would be adjourned following the death of sitting member of Parliament E Ahamed, sources said the Budget presentation would not be postponed. Ahamed, who was an Indian Union Muslim League Lok Sabha member and former Minister of State for External Affairs E Ahamed, passed away early morning on Wednesday.. He had suffered a cardiac arrest at the time of President Pranab Mukherjee's address to the joint sitting of Parliament on Tuesday afternoon.

Government sources said there was needless confusion about the issue. Usually, the House proceedings are adjourned if a serving member passes away. But sources said there was no rule to this, and this was only a convention.

The Lok Sabha, therefore, will meet and pay its respects to the departed soul but the Budget presentation will go on as per schedule. All that the government needs to do is get half dozen parties on its side even if the Congress and others might protest.

The Congress is likely to protest what it has alleged to be the intent to keep the news of Ahamed's passing away under wraps. On Tuesday midnight, Congress President Sonia Gandhi and other leaders reached RML Hospital to complain that Ahamed's family member were not being allowed to meet him. Ahamed was declared dead a couple of hours later.

## **2. Budget 2017 to try and ease pain from cash crunch**

Jaitley will present the 2017/18 budget at 11 am to the lower house of parliament  
Reuters

Finance Minister Arun Jaitley will likely boost spending and ease back on cutting the deficit when he presents his fourth budget on Wednesday, as he seeks to lift growth hit by the government's drive to purge the economy of "black money".

Prime Minister Narendra Modi's surprise decision last November to scrap high-value banknotes worth 86 percent of India's cash in circulation has hit consumer demand, disrupted supply chains and hurt capital investments.

Jaitley will present the 2017/18 budget at 11 am (0530 GMT) to the lower house of parliament.

The finance ministry forecasts that growth could dip to as low as 6.5 percent in the current fiscal year to March, before picking up in the coming fiscal year to between 6.75 and 7.5 percent.

While opinions vary on how long the disruptions caused by Modi's crackdown on untaxed and illicit wealth will last, there is near unanimity among economists that Asia's third-largest economy needs a helping hand.

Arvind Subramanian, Jaitley's chief economic adviser, on Tuesday advocated slashing personal income tax and accelerating cuts in corporate tax rates. He cautioned, however, against pursuing debt-fuelled fiscal expansion.

Still, economists are pencilling in a federal fiscal deficit of 3.3 percent of GDP for 2017/18. That would be higher than the 3 percent pledged earlier but lower than 3.5 percent that the government has budgeted for the year soon to end.

"Expectations are running high for an expansive budget," said Radhika Rao, an economist with DBS Bank in Singapore.

The rollout of a nationwide Goods and Services tax (GST), expected in July after years of delays, and could also weigh on economic growth. Countries that have introduced GST in the past have often faced a relative economic slowdown before the benefits of a unified tax regime feed through.

## BENEFITS AND COSTS

Jaitley's fiscal largesse will not only boost consumer spending, but may also shore up the fortunes of Modi's nationalist party in five regional elections for which voting begins on Saturday.

The electoral outcome, particularly in the battleground state of Uttar Pradesh that is home to one in every six Indians, would play a big part in determining whether Modi can win a second term in 2019.

Busting the deficit target, however, would worry ratings agencies at a time when oil prices - India's most costly import - are on an upswing.

Standard & Poor's has already warned that, at 68.5 percent, India's public debt-to-GDP ratio is still too high.

A slowdown in fiscal consolidation would also limit the room for monetary easing. Investors are betting that the Reserve Bank of India would lower its policy rate by another 25 basis points (bps) as early as next Wednesday.

The central bank has cut interest rates by 175 bps since January 2015 to 6.25 percent.

"Signs of a populist budget will be positive for markets, but if accompanied by a larger-than-expected borrowing programme will quickly reverse sentiment," said Rao of DBS Bank.

### **3. India Post Payments Bank kicks off pilot services**

The bank will offer an interest rate of 4.5 per cent on deposits up to Rs 25,000

Press Trust of India

India Post Payments Bank (IPPB) on Monday kicked off its operations by rolling out pilot services in Raipur and Ranchi.

The bank will offer an interest rate of 4.5 per cent on deposits up to Rs 25,000; 5 per cent on deposits of Rs 25,000-50,000 and 5.5 per cent on Rs 50,000-1,00,000, its Chief Executive Officer A P Singh said.

The paid up equity of the new bank is Rs 800 crore, of which the government has already infused Rs 275 crore, he added.

"The idea is to have a branch in every district and make 3 lakh postmen come alive in payment bank function," he said.

Also 1,000 ATMs of India Post will be transferred to IPPB, Singh added.

Telecom Minister Manoj Sinha said that IPPB plans to have 650 branches across the country by September 2017.

Terming IPPB as a mechanism for financial inclusion and a milestone, Sinha said the payments bank -- the third one to get a permit after Airtel and Paytm and the first

one promoted by the government -- will not just conduct business but also serve people.

India Post Payments Bank is the third entity to receive payments bank permit after Airtel and Paytm. Payments banks can accept deposits up to Rs 1 lakh per account from individuals and small businesses.

The new model of banking allows mobile firms, super market chains and others to cater to banking requirements of individuals and small businesses. It will be set up as a differentiated bank and will confine its activities to acceptance of demand deposits, remittance services, Internet banking and other specified services.

In 2015, RBI had granted 'in-principle' approval to 11 entities, including the Department of Posts, to set up payments banks and proposed to give such licences 'on tap' basis in future.

However, a consortium of Sun Pharmaceutical Industries promoter Dilip Shanghvi, IDFC Bank and Telenor Financial Services gave up their plans to roll out payments bank.

Cholamandalam Investment and Finance Company Ltd (Chola) also decided to withdraw its plans to set up a payments bank.

Tech Mahindra was the third to drop plans to roll out payments bank.

Out of the remaining eight companies in the fray, Airtel launched its commercial operation across India with an investment of Rs 3,000 crore and is offering an interest rate of 7.25 per cent on deposits, free money transfer from Airtel to Airtel numbers within Airtel Bank, money transfer to any bank account in the country.

Paytm, promoted by Vijay Shekhar Sharma and backed by Chinese e-commerce major Alibaba, plans to roll out payments bank with an initial investment of about Rs 400 crore. Other players are -- Aditya Birla Nuvo, Fino PayTech, National Securities Depository, Reliance Industries and Vodafone m-pesa.

#### **4. ICICI Bank Q3 net falls 19% to Rs 2,442 cr; bad loans rise**

Asset quality remains under pressure leading to a rise in dud loans and lower core interest income

Nupur Anand |

ICICI Bank, country's largest private sector lender, saw a 19.09 per cent drop in its net profit in the October-December quarter to Rs 2,441.82 crore from Rs 3,018.13 crore in the same period last financial year.

The management explained that the profit was lower as compared to the previous quarters as there were significant gains from stake sale in subsidiaries in the comparative quarters.

"If you are comparing the profits with Q3 of last year and Q2 of this year, both the quarters have substantial gains from sale of stake in life insurance companies. Q3 last years included a gain of Rs 1,243 crore on account of sale of life insurance and Q2 this year included gain of more than Rs 5,600 core. So if you take that out, then there is an increase in profit," said Chanda Kochhar, MD & CEO, ICICI Bank.

Net interest income, difference between interest earned and interest expended also declined by 1.64 per cent to Rs 5,363.35 crore from Rs 5,452.96 crore last year. The

fall in NII was led by an increase in bad loans. The percentage of Gross Non Performing advances to gross advances increased to 7.91 per cent as compared to 4.72 per cent in the same quarter a year ago. In the same period the percent of net non-performing advances to net advances also increased to 4.35 per cent as compared to 2.28 per cent in the quarter ended December last fiscal.

The management added that 75 per cent of the addition to gross NPA from corporate and SME segment was from their drill-down list that include below investment grade loans. At the start of this financial year, ICICI Bank had come put with its watchlist which included loans worth Rs 44,065 crores. During the last nine months resolution has been achieved in loans worth Rs 4,165 crore. Loans worth Rs 308 crore were upgraded where as assets of Rs 12,057 crore slipped into NPA. At the end of quarter ended December, the watchlist had loans of Rs 27,536 crore.

The total slippages in this quarter were Rs 7,000 crore out of which Rs 6,600 crore were from the corporate segment.

Other income which includes fees, commissions etc also declined by 6.6 per cent to Rs 3,938.31 crore, The management added that the fall in other income was also due to sale of investments (stake sale in life insurance subsidiaries).

Net interest margin, a key indicator of bank's profitability, was reported at 3.12 per cent as compared to 3.13 per cent in the quarter ended September. The management explained that even though the domestic margins had increased to 3.51 per cent as compared to 3.41 per cent in the quarter ended September, the overall margins came down as the international business had shrunk by 16 per cent.

The bank remains well capitalised with a capital adequacy ratio of 15.98 per cent.

Financial Express

## **5. What women and other taxpayers expect from Union Budget 2017**

It goes without saying, that the common man's expectations from the Union Budget 2017 have gone up substantially as they are looking for some sops from the Finance Minister.

By: Sanjeev Sinha

The Modi government's demonetization drive has hit the common man of this country hard. While lakhs of people have already become jobless, many more are on the verge of losing their jobs – particularly in small and medium-scale industries. And those who are lucky enough to survive job cuts, are still feeling the pain of note ban.

It goes without saying, thus, that the common man's expectations from the Union Budget 2017 have gone up substantially as they are looking for some sops from the Finance Minister.

Here are some of the expectations of both men and women taxpayers from the budget:

Expectations of woman taxpayers:

1. Tax reliefs: Until FY2011-12, separate tax slabs prevailed for men and women. The slabs were higher for women tax payers by Rs 10,000. Considering demonetization was a radical event with its own share of implementation pains, all taxpayers including women would hope to have some tax reliefs. This could be in the form of higher slab limits overall for all category of taxpayers.

2. Income of a minor child: Income of a minor child is included in the total income of the parent with higher income unless the income accrues on account of manual work/ application of skill of the minor. With the amount of working mothers on the rise, currently a deduction of a meagre Rs 1500 per child per annum is available. "This limit has remained constant since its introduction from Finance Act 1992. On the other hand, the average expenditure to meet the cost of a minor's education/ health/ living expenses has gone up considerably in recent years.

To cover for rise in the cost of living, this limit may be increased to at least Rs 10,000 per annum for each minor child," says Parizad Sirwalla, Partner and Head of Global Mobility Services, KPMG in India.

3. Increase interest deduction limit on housing loan: Increasingly women being financially independent are looking at buying houses in their own names. Further, keeping in mind the higher interest rates levied by the financial institutions and rising prices of real estate, it is hoped that the upcoming budget should increase the interest deduction limit on housing loans from the existing Rs 2 lakh to at least Rs 3 lakh. The existing limit of Rs 2 lakh was enforced in the FY 2014-15.

4. Incentives for women entrepreneurs: The nation has witnessed a huge surge in the number of women entrepreneurs in recent years. They too have their expectations from the budget. "Women entrepreneurs would look forward to investment-linked incentives and further rationalisation of the start-up benefits that were introduced by last year's Finance Act. Women professionals are also likely to welcome measures to boost savings and consumption," says Radhika Jain, Director, Grant Thornton Advisory Private Limited.

Expectations of all category of taxpayers:

5. Income tax relief to the common man

Industry experts are hoping that some tax reliefs may be given to the common man to soothe the cash ban pain. In their opinion

\* The base slab for income tax exemption could be increased from the current Rs 2.5 lakh.

\* A restructuring of tax slabs could also be explored – currently, 10% tax is charged on annual income of Rs 2.5 lakh to Rs 5 lakh, 20% on Rs 5 lakh to Rs 10 lakh and 30% on income above Rs 10 lakh. The first two slabs at least can be widened or taxed at a lower rate.

\* Deduction under Section 80C of the I-T Act (i.e. deductions on investment and on specific instruments like PPF) should be enhanced.

6. Standard Deduction

A standard deduction was allowed to salaried tax payer's up till 2005. However, the same was later removed. Restoring the standard deduction is a long outstanding demand that would help achieve parity between the taxable income of a salary income recipient vis-à-vis a professional/ business income recipient as unlike self-employed individuals, salaried people enjoy only a few tax-free allowances. Therefore, a majority of tax experts believe that standard deduction should be introduced again and the amount should be fixed at Rs 50,000 at least.

7. Increase in deduction for insurance premium

The deduction under 80D is currently capped at Rs. 25,000 for self, spouse and dependent children. An additional deduction of Rs. 25,000 is available for parents and Rs. 30,000 if they are senior citizen parents. Hence the total deduction available under this section can go up to Rs. 55,000. A deduction for preventive medical expenses is also available up to Rs. 5,000 spent as a part of the overall deduction.

According to experts, a deduction for the actual expenses made in this regard on medical insurance premiums will be a welcome move since insurance premiums are very high, especially when it comes to parents.

#### 8. Increase in transportation allowance

The transportation allowance granted by the employer to his employee for commuting between the place of work and residence is tax-free to the extent of Rs. 1600 per month. This limit however is still inadequate and definitely needs to be revised upwards to at least Rs. 3,000 per month, given the rising commuting costs across the country.

### 6. Provisioning pushes SBH into ₹620-cr loss

V RISHI KUMAR

State Bank of Hyderabad posted a loss of ₹619.8 crore in the third quarter ended December 31, 2016, as against a profit of ₹185 crore in the corresponding quarter last year.

Interest income for the quarter was down about 17.89 per cent at ₹2,942.82 crore (₹3,584.15 crore in the same period last fiscal).

The bank posted a loss of ₹1,368 crore for the nine months ended December 31, 2016, as against a profit of ₹811.77 crore in the year-ago period.

Mani Palvesan, Managing Director, said higher loan provision of ₹4,047 crore resulted in the net loss for the nine-month period.

The bank's total business was up at ₹2,60,023 crore; deposits increased 16 per cent year-on-year to ₹1,50,301 crore.

CASA deposits increased 43 per cent y-o-y to ₹60,309 crore and the share in total deposits too improved 758 basis points (bps) y-o-y to 40.13 per cent.

Retail deposits increased 25.14 per cent to ₹1,31,015 crore and the personal segment advances grew ₹4,015 crore (14.15 per cent) to ₹32,383 crore.

The total number of bank branches stood at 1932, of which 774 are in Telangana and 434 in Andhra Pradesh.

The bank's retail advances account for 56 per cent of its total advances, of which personal advances alone account for 29 per cent of total advances, the bank said in a statement.

### 7. UCO Bank cuts losses by 71% in third quarter

OUR BUREAU

Public sector lender UCO Bank has pared losses by 71 per cent to ₹437 crore for the quarter ending December 31, 2016, on a year-on-year basis. Net loss in the comparative quarter last fiscal stood at ₹1,497 crore.

Net losses came down primarily on account of a 44 per cent reduction in provisioning to ₹1,326 for the third quarter of this fiscal. In Q3 FY16 provisioning stood at ₹2,361 crore. Operating profit (before accounting for provisions and contingencies) for the lender, however, rose by over 19 per cent to ₹889 crore (₹745 crore in the year-

ago-period). The operating profit was driven by improved gains from treasury operations. For the October-December period, profit (before tax) from treasury operations increased by over 70 per cent to ₹840 crore (₹492 crore in Q3 FY16). During the quarter under review, the asset quality saw a significant decline. Gross non-performing assets (NPAs) increased by nearly 49 per cent to ₹22,181 crore (₹14,931 crore in the year-ago-period).

Similarly, net NPAs too shot up to ₹10,545 crore, a rise of around 25 per cent over the ₹8,410 crore reported in Q3 of last fiscal.

## **8. Syndicate Bank posts Rs 93.6 cr net profit**

PTI

Syndicate Bank has posted a net profit of Rs. 93.56 crore for the third quarter ended December 31, 2016, on account of lower tax expenses.

The public sector bank had posted a net loss of Rs. 119.67 crore in the year-ago period.

Total income has increased to Rs. 6,554.04 crore for the quarter ended December 31, 2016, up 5.91 per cent, from Rs. 6,188.25 crore for the quarter ended December 31, 2015, the bank said in a BSE filing today.

During the quarter under review, tax expenses stood at Rs. 49.59 crore against Rs. 173.5 crore in the corresponding period a year ago.

In the three-month period last fiscal, Syndicate Bank had parked a substantial amount towards deferred tax liability and provisions that led to the loss in its books.

Gross non-performing assets (NPAs) or bad loans rose to 8.69 per cent of gross advances as of December 2016 from 4.61 per cent in the year-ago period.

Net NPAs were at 5.63 per cent of net advances for the quarter under review against 3.04 per cent a year ago.

Shares of Syndicate Bank were trading 2.02 per cent lower at Rs. 67.90 on the BSE.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)  
GENERAL SECRETARY**