



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)
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Dear Comrades,

29th May, 2018

News of Interest 29th MAY

MOTIVATIONAL QUOTES

"IF YOU KNOW THE ENEMY AND KNOW YOURSELF YOU NEED NOT FEAR THE RESULTS OF A HUNDRED BATTLES." - SUN TZU

HIGHLIGHTS

1. AROUND 1 MILLION BANK EMPLOYEES TO GO ON 2-DAY STRIKE FROM WEDNESDAY
2. UNITED BANK OF INDIA NET LOSS AT RS 2.6 BILLION ON BAD DEBT PROVISIONING
3. BASIC SAVINGS BANK DEPOSIT ACCOUNT: HOW BANKS OVERCHARGE, PENALISE NO-FRILLS A/C HOLDERS WITHOUT LETTING THEM KNOW
4. SBI SET TO DRAG MALLYA TO UK BANKRUPTCY COURT
5. PFRDA EYES NRIS, CORPORATES TO EXPAND NPS MEMBER-BASE

Business Standard

1. Around 1 million bank employees to go on 2-day strike from Wednesday

About 1 million bank officers are expected to participate in the strike on May 30 and May 31

Somesh Jha

Around 1 million bank employees will go on a two-day strike this Wednesday as the conciliation efforts by the Union government failed to convince bank unions to call off protests against the proposed low wage hike. Additional Chief Labour Commissioner (CLC) Rajan Verma met the bank unions, under the banner of the United Forum of Bank Unions (UFBU), finance ministry

officials and bank management, represented by the Indian Banks' Association (IBA) in an effort to avert the strike.

"The CLC tried his best to sort out the strike-related issues but there is no positive development. Though the bankers, through the IBA, said they are willing to reconsider the proposed wage hike, there was no concrete proposal.

Hence, the strike stands," All India Bank Employees' Association General Secretary C H Venkatachalam said.

D T Franco, general secretary, All India Bank Officers' Confederation said about 1 million bank officers are expected to participate in the strike on May 30 and May 31. During the conciliation proceedings, the bank unions told the CLC that a 2 per cent wage hike was proposed in a meeting held between bankers (IBA) and unions (UFBU) on May 5 "which was not at all acceptable, considering the rise in cost of living."

"The officials from the IBA stated that they have had several rounds of discussions in respect of wage negotiations...in view of the huge non-performing assets or bad loans in the banks, only 2 per cent of wage increase was offered. But they also stated that they are still not closed and ready to negotiate further," according to the minutes of the meeting.

Strike Alert

Trade unions oppose...

- Bank management's proposal for a 2 per cent wage hike
- Decision to negotiate wages for up to senior manager-level officers, thereby excluding general managers
- Centre's 'casual approach' to wage revision of bank employees

Unions demand...

- Early wage revision settlement
- Wage revision should include all bank officers
- Adequate increase in salary and improvement in other service conditions

Labour Commissioner tells banks to...

- Cover all officers in wage negotiation
- Revise wage hike proposal

2. United Bank of India net loss at Rs 2.6 billion on bad debt provisioning

Provisioning for non-performing assets was Rs 13 billion, as compared to Rs 7.5 billion in January-March 2017

Namrata Acharya

On account of a high level of bad debt and provisioning for it, government-owned United Bank of India (UBI) reported a net loss of Rs 2.6 billion for the

March quarter. In the same period a year before, it had a net profit of Rs 735 million.

For the entire financial year of 2017-18, it had a net loss of Rs 14.5 billion, against a net profit of about Rs 2 billion in 2016-17.

Pawan Bajaj, managing director, told Business Standard they would seek Reserve Bank of India and government permission to use about Rs 14 billion from their share premium account of Rs 40 billion, to set off the accumulated loss. This is expected to be completed in the next two months.

Provisioning for non-performing assets (NPAs) was Rs 13 billion, as compared to Rs 7.5 billion in January-March 2017. Gross NPAs were Rs 165 billion, against Rs 109 billion in the March quarter of 2016-17, a ratio against advances of 24.1 per cent, against 15.53 per cent a year before.

Net NPAs in the quarter were Rs 103 billion, against Rs 65 billion in that period of 2016-17; the ratio being 16.49 per cent, against the earlier 10.02 per cent.

Financial Express

3. Basic Savings Bank Deposit Account: How banks overcharge, penalise no-frills a/c holders without letting them know

No-frills account holders are facing penalty for exceeding the limit of four withdrawals in a month as several banks are using the 5th debit as a trigger to convert the Basic Savings Bank Deposit Account (BSBDA) into a regular one, says a report

By: PTI |

No-frills account holders are facing penalty for exceeding the limit of four withdrawals in a month as several banks are using the 5th debit as a trigger to convert the Basic Savings Bank Deposit Account (BSBDA) into a regular one, says a report. While no charges are levied for maintaining no-frills account or BSBDA in a bank, the regular accounts are subject to various fees and charges. The key restriction on a BSBDA is that the account holder cannot make more than four withdrawals in a month, though there is no such limit on number of deposits. These "design anomalies" are prompting the bankers to overcharge BSBDA customers in violation of the [RBI's](#) extant regulations, said the report prepared by Ashish Das, IIT Bombay professor.

"The moment a 5th debit transaction is done by the customer in a month, these banks without explicit and voluntary consent of customers are unilaterally converting the BSBDA into a regular savings account, requiring high minimum balance and associated service charges," the report said.

Reserve Bank of India should put a halt to involuntary conversion of BSBDA to regular savings account, the report said, adding that the whole scheme was launched to promote financial inclusion. It also suggested that RBI should remove the restrictions on number of digital transactions in a month by such account holders, in tandem with the government's policy to promote less cash economy.

At present, after four debits in a month from a BSBDA, the customer is no longer able to make online purchases, transfer money through BHIM or use

RuPay debit card at merchant locations for day-to-day purchases, the report said. "Inhibiting the financially included folks to transact digitally through their bank accounts is a blow to our country's digital payments drive.

The very nature of the RBI regulation, has forced banks to limit the BSBDA usage," the report said. RBI mandated savings product BSBDA provides to the customer facilities of unlimited credit, four debits every month, zero minimum balance, and no service charges. As part of the financial inclusion drive, the RBI had launched the scheme in August 2012.

The financial inclusion programme got a boost with the launch of the Pradhan Mantri Jan Dhan Yojana (PMJDY) in August, 2014. Presently there are about 54 crore BSBDA's have been opened through branches and Business Correspondent (BC) points, of which, more than half have been opened under PMJDY.

Though PMJDY accounts are meant primarily for financial inclusion, BSBDA's have a much broader perspective and can be opened by anyone – not only by certain types of individuals like poor and weaker sections of the population but also other sections of the population without any restrictions imposed on income. "It is a basic banking account available to all customers", the report said, while underlining the need to cure anomalies in the scheme.

Economic Times

4. SBI set to drag Mallya to UK bankruptcy court

By *Saloni Shukla*

State Bank of India, the country's largest lender, is set to initiate bankruptcy proceedings against fugitive businessman Vijay Mallya in the UK to mount additional legal pressure on him for the recovery of loans, two people aware of the plan said.

The action against Mallya, wanted in India for the recovery of loans taken by his companies, can be started in a bankruptcy court in the UK under individual insolvency laws. Such a step is facilitated by a reciprocal arrangement that India has with Commonwealth nations, which recognises and enforces foreign judgements in member-countries. "We will fight tooth and nail to recover the bank's money. Soon, Mallya will be taken to the bankruptcy court in the UK," one person said.

"Banks have managed to successfully get a freeze over his international assets. We hope to recover a substantial amount once we are done with all the legal action against Mallya," this person said.

While Mallya's assets have already been frozen, experts said SBI is seeking a "second layer of security" by taking the beleaguered liquor baron to bankruptcy court. Should Mallya be declared bankrupt, all of his assets will legally vest in the hands of the court-appointed receiver, who would then act in the best interests of the creditors. Any bankruptcy action against Mallya will also be a sentimental win for the banks, they said.

While no bankruptcy application has been filed yet, lawyers on both sides have been made aware that it could happen soon, the people told ET. SBI and Mallya did not respond to ET's emails seeking comment on the matter.

"Bankruptcy action against Mallya is in the works and you will see the result very soon," one person said.

"The lenders would have to first prove beyond doubt that Mallya owes them money, which is not less than 5,000 pounds (`448,000), for their claim to be admitted and that will not be a problem because the English courts have recognised the Indian debt recovery tribunal order against Mallya." Mallya owes SBI over Rs 1,600 crore.

LEGAL VICTORY

Mallya, who is undergoing an extradition trial in a UK court over fraud and money laundering charges by Indian authorities, lost a lawsuit filed by 13 Indian banks in a UK court two weeks ago. Judge Andrew Henshaw refused to overturn a worldwide order freezing Mallya's assets and upheld an Indian court's ruling that a consortium of 13 Indian banks were entitled to recover funds amounting to almost \$1.55 billion. The victory for the banks will enable them to enforce the Indian judgment against Mallya's assets in England and Wales.

The order prevents Mallya from removing any assets from England and Wales up to that value or to dispose of, deal with or diminish the value of his assets in or outside of this jurisdiction. However, some legal experts pointed out that a personal bankruptcy order will have no real effect on Mallya's UK assets or bank accounts because they have already been frozen.

"Mallya's assets have already been frozen by the English court in the civil proceedings and therefore a personal bankruptcy order will have no real effect on his UK assets and bank accounts, save that the receiver places himself into the shoes of Mallya to act for the benefit of the creditors," said Sarosh Zaiwalla, a senior partner at Zaiwalla & Co., a London-based law firm.

A 17-member consortium led by SBI is battling to recover dues of over RS 9,000 crore from Mallya and his now-grounded Kingfisher Airlines. The banks have recovered Rs 350 crore from the sale of assets. According to a statement issued by Mallya in March 2016, he claimed that banks had recovered Rs 1,244 crore from the sale of pledged shares. An additional Rs 600 crore was lying deposited in the Karnataka high court since July 2013 and a further sum of Rs 650 crore belonging to United Breweries Holdings has been deposited in the Karnataka high court since early 2014.

Business Line

5. PFRDA eyes NRIs, corporates to expand NPS member-base

OUR BUREAU

The Pension Fund Regulatory and Development Authority (PFRDA) will be focussing more on corporates and Non-Resident Indians (NRIs) to expand the subscriber base of its New Pension System (NPS), according to its Executive Director, Ananta Gopal Das.

Speaking to newsmen on the sidelines of an awareness meet on the advantages of NPS for NRIs, Das said there were 14 lakh subscribers of NPS from corporate/private individuals while the NRI subscriber base was at 4,000.

"We found that about 80 per cent of NRIs are not even aware that they can subscribe to NPS. Many individuals go to the Gulf and other regions to work. NPS will provide them something to fall back on after their return," he said.

The total assets under management of NPS grew 35 per cent in the year ended March 2018 at ₹2.40 lakh crore from ₹1.74 lakh crore in the previous year. There are 2.12 crore subscribers, of which, about 1 crore are from Atal Pension Yojana.

About 20 lakh Central government employees and 39 lakh State government employees, from 27 States (Tripura and West Bengal are yet to join), are among the subscribers of NPS, he added.

With kind regards,

Yours Comradely,



(N. GOVINDRAJULU)
GENERAL SECRETARY