



Strike by OF workers against Corporatization enters day 4 ; Production level hit

Hyderabad, Aug 23 (UNI)

The strike by Over 80,000 workers from 41 ordnance factories across the country in protest against the proposed "corporatisation" of the Kolkata-headquartered Ordnance Factory Board (OFB), the umbrella body for these factories, entered the fourth day on Friday.

The production in the OF has has drastically hit after the strike began on Tuesday.

Apart from 82,000 permanent workers, about 40,000 contract workers also participated in the strike.

However, on Day 1 the attendance in the Ordnance factories was 10.40% , Day 2 -7.09% and on Day 3 - 6.87%.

The strike has been a 'total' success in Tamil Nadu, Telangana, Odisha, West Bengal, Madhya Pradesh, Maharashtra, Uttar Pradesh, Uttrahakand, Bihar, Chandigarh where the Ordnance Factories are located as well as in the OFB in Kolkata.

The call for embarking on strike from August 20 to September 19 was given by 3 major Trade Unions--All India Defence Employees Federation (AIDEF) , Indian National Defence Workers Federation (INDWF) and BMS-supported Bharatiya Pratiraksha Mazdoor Sangh (BPMS).

Ahead of the strike, the discussions held between the Trade Unions and the Centre on Monday against the corporatisation of ordnance factories had failed.

The trade unions said their request to stop the corporatisation process was not considered by the Centre, and hence the three major trade unions went ahead with their strike call.

Secretary of Defence Production Ajay Kumar held discussions with the BMS-supported Bharatiya Pratihaksha Mazdoor Sangh (BPMS) and the Confederation of Defence Recognised Associations.

The meeting was boycotted by the INTUC-backed INDWF and AITUC-CITU-HMS supported AIDEF

Expressing solidarity to the struggle of employees, All India Bank Employees Association (AIBEA) General Secretary and Communist Party of India (CPI) National Executive Member Ch Venkatachalam in a Circular to all its Units and Members said, from dawn on August 20, all industrial, non-industrial (Clerical, office staff), Junior Officers, Charge Hands have walked out of all the 41 Ordnance Factories (OF) against Government's plans to Corporatize and then to privatise them.

Mr Venkatachalam said the 218-year-old Indian Ordnance Factories under the Ordnance Factory Board were all Government Departments now. The present BJP-led NDA Government has arbitrarily decided to convert these Factories into Corporation.

The CPI National Executive Member said, In the past also there were attempts and various Committees have recommended for the conversion of the Ordnance Factories into Corporation. However, these factories being war reserve and solely dependent upon the Armed Forces cannot function as a commercially viable or profitable units. These factories cater to the needs of the Defence forces, he added.

The then Defence Ministers ---George Fernandes, Pranab Mukherjee, A.K Antony, Manohar Parikkar have rejected the recommendations and had assured that these Factories would continue as Departments of the Government under the Ministry of Defence.

But the NDA Government has brought this as an agenda in its 100 days programme and has decided to corporatize the Ordnance Factories. The idea of the Central government is the first corporatize these Factories and then privatise them through disinvestments, etc. This move of the Government will put National Security at risk and hence is against National interest, Mr Venkatachalam said.

The top Union leader also said this move will also totally alter the status of the employees depriving them of all their existing benefits and rights.

The Unions have been pleading with the Government not to proceed with their agenda of corporatization but it had decided to go ahead.

Hence the Unions gave the strike Notice three weeks ago and have commenced the strike from August 20.

The Government wanted these 41 Indian Ordnance Factories to produce Rs. 30,000 Crore worth of goods by 2024. The Unions have accepted the challenge, but they want the government to assure them that the plans to corporatize the ordnance factories will be shelved.

However, he said, the Government refused the plea of employees.

The workmen in essential services like fire-fighting, water and electric supply, hospitals in the OF colonies have also struck work, but are back manning those services voluntarily, foregoing the salaries for the days of strike.

'We the bank employees under the banner of AIBEA greet these fighting comrades of Ordnance Factories and express its total solidarity with their justified struggle'.

Mr Venkatachalam called upon all the bank units and members in the concerned States to participate in the solidarity programmes and demonstrations organised locally in connection with OF employees strike.



Solidarity Gate Rally before ordnance Clothing Factory in Avadi, Chennai



Striking workers – men and women workers sitting in the road before their Factory in Chennai

'Govt should strengthen PSBs for social development'



Dr Ganesh Devy addressing the gathering while BNJ Sharma, Jaywant Gurway, C H Venkatachalam, General Secretary of AIBEA, Sudhir Kudupley, , Devidas Tauljapurkar and Rajeev Tamhane and others look on at the conference on Saturday.

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HIGHLIGHTING the multiple challenges faced by public sector banks, C H Venkatachalam said, "We need to formulate a roadmap to confront these challenges. The Government is introducing ironic policies which are not supporting more employment. Bank unions are criticising such banking policies." "Under nationalisation banking flourished and expanded in a big way. Private banks keep profit to themselves whereas public sector banks (PSBs) use profit for social development. The Government should strengthen public sector banks in the larger interest of society," he said. C H Venkatachalam, General Secretary of All India Bank Employees Association (AIBEA) was speaking at the two-day 8th All India Conference of All India Bank of Maharashtra Employees Federation (AIBMEF) on Saturday.

He said that job generation and job security in the banking industry had evaporated. Private banks are collapsing due to burden of non-performing assets (NPAs). Government wants only four to five large banks like in US. After the merger of smaller banks with State Bank of India more than 7,000 branches will be closed down. Earlier SBI was recruiting more than 70,000 people now they are recruiting only 5,000 in a year. "Younger people will not get new jobs if this scenario continues," he said. The country needs stronger banks and not necessarily big and efficient banks. PSB employees are agitating because there is no job security.

Also, banking services are being outsourced and there is no fresh recruitment taking place. The density of bank branches is low and needs to increase to benefit the people living in rural areas. "Government has introduced the Indian Bankruptcy Code (IBC) whereby big industrialists are getting hefty discounts in repayment of bad loans. This is a loot of the

banking industry. Now the Government is introducing Wage Board Act where the principle employer will not have any responsibility regarding wages as employees will be on contract basis and linked to profit of banks. PSB employees must unite and fight exploitation of bank employees by formulating a policy, he added.

Padmashree Dr Ganesh Devy spoke on changes taking place regarding democracy, equality, vision and diversity in the world. Rajeev Tamhane, General Secretary of Bank of Maharashtra Officers Association (BOMOA) also spoke on banking in the conference. On the occasion, a women's convention was organised in which Shruti Tambe, HOD Department of Sociology, Pune University and Paromita Goswami, Founder of Elgar Prasthithan, Chandrapur were the guest speakers. Present were Sudhir Kudupley, President of AIBMEF, BNJ Sharma, Chairman of Reception Committee, Devidas Taljapurkar, General Secretary of AIBOMEF, Jaywant Gurway, Vice-Chairman of Reception Committee and S P Tiwari, Secretary of Reception Committee. A large number of delegates and observers from 10 affiliated units of AIBOMEF spread across the country attended the conference.

Demonetisation: IT probe into unaccounted cash deposit in dormant accounts hits a dead-end

Rahul Wadke Mumbai | August 22, 2019 BUSINESSLINEE

I-T Dept not able to serve notices as holders of dormant accounts remain untraceable

The Income Tax Department has hit a dead-end in its investigation of numerous demonetisation cases, where unaccounted cash was deposited in dormant bank accounts in connivance with bank officials.

The problem before the Department is on who notice should be served under various sections of the IT Act, as the original holders of the account may have shifted house, gone overseas, or are untraceable.

Senior IT officials told ***BusinessLine*** the department was trying to address this issue.

During demonetisation, dormant accounts were activated with the connivance of bank officers. Those holding large sums of unaccounted cash or cash generated out of tax avoidance deposited the same in these accounts.

The cash was then transferred to multiple newer accounts and later withdrawn by the account holders, the officials said.

To investigate such cases, the IT Department has to issue notices under Section 148 and other Sections of the IT Act, for which a valid postal address or an email ID is required. The KYC rules were not strictly followed in such dormant accounts.

Bank officers are aware of the existence of such accounts, which have become black boxes for currency movement, the officials said.

These dormant accounts generally belong to people who have transferable jobs. On leaving a city, these bank accounts were not closed by the account holders. Nor did the banks pursue them for closure. The accounts remained dormant for a long time, until the bank officials reactivated them for money laundering, the officials said.

In such a scenario the IT Department is left with only one option -- to carry out a forensic audit of such accounts and the money trail they have left behind. But given the massive scale of such deposits, it would be a tough task to trace all the tax offenders, the officials pointed out.

Super rich surcharge for equity investors rolled back, CSR violations not be a crime

Nirmala Sitharaman says two more doses coming

In a move that is meant to counter the 48 days of turbulence in the stock market, the Government on Friday came with its first booster shot for the economy, rolling back the higher super-rich surcharge levied on capital gains in equity market for domestic and foreign investors.

It also announced relief for India Inc by clarifying that violations of Corporate Social Responsibility (CSR)-related provisions will not be a criminal offence.

A package with 32 measures

Sharing the 'package' with the media, Finance Minister Nirmala Sitharaman said these are part of 32 measures worked out to boost the slowing economy. These measures come at a time when there is a fear that growth in the first quarter could be lower and projections for the entire year are being revised downwards.

In fact, there is an apprehensions that lower investment and consumption demand are affecting jobs, and in the automobile sector alone, more that 3.5 lakh people have lost their jobs. However, the government did not give any assurance on industry's demand for lowering the Goods & Services Tax (GST) on automobiles and biscuits. "In order to encourage investment in the capital market, it has been decided to withdraw the enhanced surcharge levied by Finance (No. 2) Act, 2019 on long/ short-term capital gains arising from transfer of equity shares/units referred in Section 111A and 112 A, respectively," Sitharaman said. This will cover gains in the cash market through equity and equity-oriented mutual funds.

In her maiden Budget presented on July 5, Sitharaman had announced enhancement of surcharge on individuals having taxable income of ₹ 2 crore to ₹5 crore and ₹5 crore and above, increasing the effective tax rates for these two categories by around 3 per cent and 7 per cent, respectively. The fine-print made it clear that not only domestic but non-

corporate foreign portfolio investors (FPI) will also be required to pay higher surcharge.

Since 40 per cent of the FPIs fall under the non-corporate category, it affected market sentiment and the FPIs took out ₹12,419 crore in July and ₹12,105 crore this month (till August 23)

THE BIG PUSH		
<p>Corporate governance</p> <ul style="list-style-type: none"> CSR violations not to be treated as a criminal offence, only as a civil liability 	<p>Bank/NBFCs</p> <ul style="list-style-type: none"> Increase in NHB funding from ₹20,000 crore to ₹30,000 crore Banks will have to pass on repo rate reduction to consumers NBFCs can now use Aadhaar-based KYC of banks for their customers 	<p>Auto</p> <ul style="list-style-type: none"> BS-IV vehicles purchased before March 31, 2020 will remain operational till validity of the car's registration Both EVs and liquid fuel driven vehicles will continue to be registered With ban lifted, govt departments can now buy vehicles to replace old ones Higher vehicle registration fee deferred till June 2020 Additional 15% depreciation to be allowed for all vehicles bought from now till March 31, 2020, taking the total depreciation to 30%
<p>Tax</p> <ul style="list-style-type: none"> Angel tax — Sec 56(2)(viib) of the IT Act — withdrawn for start-ups registered with DPIIT Post October 1, all income-tax orders, notices, summons, letters shall be issued through a centralised computer system. A valid document must have a DIN (Document Identification number) All pending GST refunds due to MSMEs to be paid within 30 days from August 23. Future refunds will be cleared in 60 days From 'Vijay Dashmi' Day, faceless scrutiny of assessee starts 	<p><i>Reform is a continuous process and the momentum of reforms will continue.</i></p>  <p>NIRMALA SITHARAMAN Finance Minister</p>	

'Big relief for FPIs'

Sunil Gidwani, Partner with Nangia Advisors (Andersen Global), said that the reversal of the surcharge is a big relief for FPIs. "It would eliminate the need to look for any exotic solutions like restructuring or changing PAN status of SICAV type of structures. It's a bonus for domestic investors as well," he added.

Fillip to MSMEs

In a bid to give fillip to job-creating Micro, Small and Medium Enterprises (MSME), Sitharaman said pending GST refunds would be done within 30 days, while start-ups, a major avenue for employment and new entrepreneurship, would be exempt from so-called 'Angel Tax'

She also announced an immediate infusion of ₹70,000 crore into banks to boost their liquidity and lending capacity of banks by ₹5 lakh crore while housing finance companies would get up to ₹30,000 crore with a view to reviving the real estate sector.

The Minister said banks would be required to link lending rates to the RBI's benchmark rate in order to accelerate the transmission of the central bank's policy easing. Till now, banks generally have lagged in transmitting the RBI's reduction in repo rates to borrowers.

So far this year, the RBI has cut rates by 110 basis points in four instalments but banks have passed only a part of it to borrowers. Before the last reduction, earlier this month of 35 basis points, banks on an average had passed only 29 basis points out of 75 basis points cut affected during 2019.

Relief for auto sector

For the auto sector, she doubled depreciation to 30 per cent and lifted the ban on government departments buying new vehicles. BS-IV vehicles purchased till March 31, 2020, before the country switches to lower-emitting BS-VI vehicles, would continue to be operational valid for till their registration period.

The Minister hoped that the revenue target will be met, but also said that two more big announcements will come soon.



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