



**JOINT STATEMENT BY CENTRAL TRADE UNIONS
IN SUPPORT OF OUR BANK STRIKE ON 22ND OCT. 2019**

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- 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 CO-ORDINATION COMMITTEE - TUCC
 - SELF EMPLOYED WOMEN'S ASSOCIATION - SEWA
 - ALL INDIA CENTRAL COUNCIL OF TRADE UNIONS - AICCTU
 - LABOUR PROGRESSIVE FEDERATION- LPF
 - UNITED TRADE UNION CENTRE - UTUC
-

17th October, 2019

Central Trade Unions Extend Support to All India Bank Strike

The Central Trade Unions extend support and solidarity with the All India Bank Strike on 22nd October, 2019 called jointly by All India Bank Employees Association and Bank Employees Federation of India against the recent decision of the Government to merge 10 public sector banks into 4 Banks thus, deciding to close down 6 important nationalised Banks.

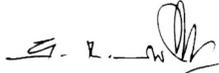
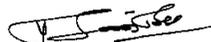
The Government's decision is most unfortunate and totally unwarranted. All the Banks who now are facing closures namely Andhra Bank, Allahabad Bank Syndicate Bank, Corporation Bank, United Bank of India and Oriental Bank of Commerce are well performing Banks and have been greatly contributing for our nation's economic development in their respective geographical areas. All these Banks have a long history behind them and all of them have grown into big banks over the years. The Government talks of including every citizen into banking access through scheme like Jan Dhan yojana, etc., but in contradiction to its own decision announcing the merger of 10 Banks, which will result in large scale closure of branches and deprive people of banking service. It is a most retrograde move.

There is no evidence that previous mergers in SBI, Bank of Baroda, etc. have yielded any positive results. This is not the time to experiment with merger of banks when Banks are required to play a crucial role in lifting the economy out of its present serious mess and crisis.

This is deliberate attempt as the entire attention of Banks will now shift from efforts to recover the huge bad loans to tackling the problems arising out of mergers since Government is unable to take any serious measure to recover the bad loans from the corporate defaulters except through huge write off, haircuts and concessions.

Bank mergers are ill-timed and ill-motivated. We appreciate for AIBEA and BEFI having taken timely step and support their All India Strike on 22nd October, 2019. This struggle needs to be further continued and intensified as mergers are a prelude to privatise the Banks.

We wish the strike all success.

 INTUC	 AITUC	 HMS	 CITU	 AIUTUC
 TUCC	 SEWA	 AICCTU	 LPF	 UTUC

Indian economy on a shaky ground, says Nobel awardee Abhijit Banerjee

[PTI](#)

KOLKATA, OCTOBER 14, 2019

THE HINDU

Current data not assuring revival any time soon: Abhijit Banerjee

Indian-American Abhijit Banerjee, who on Monday won the 2019 Nobel for Economics, said Indian economy was on shaky ground.

The data currently available do not hold any assurance for the country's economic revival anytime soon, he stated.

“The condition of the Indian economy is on shaky ground. After witnessing the present [growth] data, just can’t be sure about it [revival of economy in the near future]. In the last five-six years, we could at least witness some growth, but now that assurance is also gone,” Mr. Banerjee told a news channel from the U.S.

The 58-year-old economist, who bagged the coveted prize jointly with his wife Esther Duflo and another economist Michael Kremer for his “experimental approach to alleviating global poverty”, said he never thought he would get a Nobel so early in his career.

“I have been doing this research for the last twenty years. We have tried offering solutions towards alleviation of poverty,” Mr. Banerjee, who is currently the Ford Foundation International Professor of Economics at the Massachusetts Institute of Technology (MIT), said.

Public sector banks disburse Rs 81,781 crore in nine days, says Nirmala Sitharaman

[KR Srivats](#) New Delhi | October 14, 2019
BusinessLine

Public sector banks (PSBs) alone have disbursed Rs 81,781 crore in the first phase of the outreach programme between October 1-9, Finance Minister Nirmala Sitharaman said on Monday.

Of this, as much as Rs 34,342 crore has gone to new entrepreneurs, Sitharaman told a press conference after a review meeting with chief executives of PSBs in the capital.

Later, replying to queries on whether this sum of Rs 81,781 crore included sums disbursed by NBFCs who were also asked to participate in the outreach programme, Finance Secretary Rajiv Kumar said that the amount of Rs 81,781 crore pertained only to PSB disbursements. If one were to include the amounts that went through NBFCs and small finance banks (SFBs), then the overall amount of credit infusion into the economy would be much higher.

Kumar also announced that the next phase of outreach programme will take place during October 21-25.

It may be recalled that Finance Minister Nirmala Sitharaman has in mid - September announced an outreach programme in two phases involving PSBs and NBFCs to push liquidity into the hands of those in need of credit in the 400 districts of the country.

MSME liquidity

Meanwhile, the Government on Monday came up with a two-pronged approach to push liquidity into MSMEs which are facing a cash crunch on account of delayed payments from large corporates.

Sitharaman, at the meeting, advised banks to approach MSMEs and offer them the facility of bill discounting if they desire to opt for it. She also simultaneously asked Corporate Affairs Secretary Injeti Srinivas to write letters to the large corporates in the MCA database who have an aggregate outstanding of Rs 40,000 crore to the MSMEs.

Sitharaman said that she has asked banks to come back to her by October 22 to update her on the MSME response to this bill discounting facility. "We will ensure that MSMEs have sufficient liquidity ahead of Diwali," she said.

Injeti Srinivas, who was also present at the review meeting, said that MCA would "nudge" large corporates to expedite their payments/dues to MSMEs.

Insolvency

Srinivas told the press conference that banks have today conveyed that they would only be using the IBC process as the "last resort". Suggestions were also made at the meeting that a threshold limit be introduced for triggering of the IBC process so that a single person in a class of people (like homebuyers) does not misuse the facility. Srinivas indicated that the government may be inclined to adopt the current threshold specified for class action suit under the Companies Act even for the threshold in the case of class of persons for triggering of IBC.

Partial credit guarantee

At the meeting with the Finance Minister, banks also made a case for allowing NBFCs with investment grade rating and AA rating for their asset pool to be eligible to participate in the partial credit guarantee scheme.

There is no question of diluting the minimum AA rating specified for asset pools that are being purchased, but the banks want even those NBFCs which don't have AA rating at the institutional level but have investment grade rating to be eligible for the scheme, Sitharaman said. "We will have to take a call on this suggestion," Sitharaman said when asked if the government was inclined to accept these suggestions.

So far, banks have sanctioned Rs 15,455 crore under the partial credit guarantee scheme announced by the Finance Minister in the recent Budget, Rajiv Kumar said.

RBI wants banks to put in place board-approved policy on exposure to InvITs

Mumbai | October 14, 2019
BusinessLine

The Reserve Bank of India has asked banks to put in place a board-approved policy on exposure to Infrastructure Investment Trusts (InvITs) which, among others, should cover the appraisal mechanism, sanctioning conditions, internal limits, and monitoring mechanism.

Without prejudice to generality, the RBI said banks should undertake assessment of all critical parameters, including sufficiency of cash flows at the InvIT level, to ensure timely debt servicing.

As per the RBI's circular, the overall leverage of the InvITs and the underlying SPVs put together should be within the permissible leverage as per the board-approved policy of the banks.

Banks should also monitor performance of the underlying SPVs (special purpose vehicles) on an ongoing basis as the ability of InvITs to meet their debt obligation will largely depend on the performance of these SPVs.

As InvITs are trusts, banks should keep in mind the legal provisions in respect of these entities, especially those regarding enforcement of security. Banks can lend to only those InvITs where none of the underlying SPVs, which have existing bank loans, is facing 'financial difficulty'.

The RBI said the audit committee of the board of banks should review the compliance to the conditions relating to banks' investment in units of InvITs on a half-yearly basis.

RBI imposes penalty on LVB and Syndicate Bank

Our Bureau Mumbai | October 14, 2019

BusinessLine

The Reserve Bank of India has imposed a monetary penalty of Rs.1 crore on Lakshmi Vilas Bank (LVB) and Rs.75 lakh on Syndicate Bank.

In the case of LVB, the RBI said the penalty has been imposed for non-compliance with certain provisions of directions issued by it on 'Income Recognition and Asset Classification (IRAC) norms'.

In the case of Syndicate Bank, the penalty has been imposed for non-compliance with the RBI's directions on (i) frauds classification and reporting and (ii) innovative housing loan products – upfront disbursement of housing loans.

The RBI said LVB's statutory inspection with reference to its financial position as on March 31, 2017, revealed, inter alia, non-compliance with directions issued by it on IRAC norms.

"Based on the inspection report, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the directions.

"After considering the bank's reply to the notice and examination of additional submission, the RBI concluded that the aforesaid non-compliance warranted imposition of monetary penalty," the RBI said in a statement.

The RBI had placed LVB under prompt correction action framework late last month, citing its high net non-performing assets, insufficient capital to risk-weighted assets ratio and common equity tier-I capital, and negative return on assets for two consecutive years. The RBI said the return on fraud filed by Syndicate Bank with it revealed that the bank had failed to comply with certain provisions of directions issued by it on fraud reporting and disbursement of housing loans. "Based on the findings, a notice was issued to the bank, advising it to show cause as to why penalty should not be imposed for non-compliance with the directions issued by RBI.

"After considering the reply received from the bank and submissions made during the personal hearing, the RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty," the central bank said.

Regulatory compliance

In the case of both the banks, the RBI said its action is based on the deficiencies in regulatory compliance, and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers. Syndicate Bank is in the midst of an amalgamation with Canara Bank.

PMC Bank: FM urges RBI Governor to expedite payments to worst affected customers

[K.R. Srivats](#) New Delhi | October 14, 2019

BusinessLine

Finance Minister Nirmala Sitharaman on Monday urged the Reserve Bank of India Governor Shaktikanta Das to try and expedite payments to "genuinely suffering" customers of the crisis-ridden PMC Bank.

"Even this afternoon, I had a word with the RBI Governor on the PMC Bank matter. He has assured me that he will keep the interests of the customers in mind and at the earliest try to resolve it," Sitharaman told

presspersons after her review meeting with the chief executives of public sector banks (PSBs) here.

The Enforcement Directorate has seized assets relating to the promoters. "The Government has been on its toes to ensure that the legal process does not slow down for want of assets. My appeal to the Governor was if there are adequate assets, is there a way in which RBI can expedite paying customers, who are genuinely suffering," she said.

Deposit insurance

Sitharaman made it clear that any move to increase the deposit insurance limit beyond Rs 1 lakh would need Parliament's approval. As regards using the current deposit insurance limit of Rs 1 lakh to pay off suffering customers, Sitharaman cited a technical point, highlighting that a Rs 1 lakh deposit insurance could be invoked only when one treats the matter (PMC Bank) as a closed case and not as a "going concern".

"If the attempt is to keep it as a going concern, then you cannot invoke it (deposit insurance) and not give that Rs 1 lakh. This is a hard technical fact. The attempt by RBI is to see if it can be kept going and everybody's payment is made," Sitharaman said.

ED attaches assets worth Rs.3,830 cr in PMC Bank fraud case

New Delhi | Updated on October 14, 2019
BusinessLine

The Enforcement Directorate has seized, frozen and identified movable and immovable assets worth Rs.3,830 crore in the Punjab and Maharashtra Co-operative Bank (PMC) fraud case. The assets were owned by Housing Development and Infrastructure Ltd (HDIL), its directors and promoters, PMC Bank officials and other related entities, ED stated in a press release on Monday.

The Economic Offences Wing, Mumbai Police, in its first information report (FIR) alleged that Rakesh Wadhawan and Sarang Wadhawan of HDIL and its group companies, in conspiracy with PMC Bank officials, Joy Thomas, Waryam Singh and others, availed of loans in a fraudulent manner and

cheated PMC Bank. The total proceeds of the crime involved in this case have been determined at approximately Rs.4,355 crore.

During search operations carried out in 10 premises, several incriminating documents, property documents and movable properties were found. Scrutiny of the incriminating documents has revealed instances of the siphoning off of funds and their misuse. For example, a loan of Rs.98 crore from PMC Bank was diverted to M Estate Developers, a proprietorship concern of a close business associate of Rakesh Wadhawan.

Assets seized so far

The movable and immovable assets that have been seized and frozen till now include 10 cars, including a Rolls Royce, a Bentley and a Range Rover seized from the residential premises of Rakesh Wadhawan, jewellery worth approximately Rs.66 crore seized from various residential premises, including the residence of Meena Rohra, business associate of Rakesh Wadhawan.

Four vehicles, including an Audi, a Fortuner, an Innova and a Scorpio, three Buggies, two Quadros (All Terrain Bikes) and a speed boat were seized from a farm house at Awas, Alibaug.

Fixed deposits (FDs) totalling approximately Rs 1.5 crore with banks have been debit frozen. Two aircraft -- a Bombardier Challenger – 300 VT and a Falcon 2000 VT HDL -- owned by Privilege Airways Pvt Ltd have been identified. The CEO of Mumbai International Airport Ltd has been told to keep them in custody and not to allow their operation or alienation. Rakesh Wadhawan and Sarang Wadhawan are Directors of Privilege Airways Pvt Ltd.

An 88-foot-long yacht, 'Ferretti 881 HT' named Samara1, registered under a Panama flag and owned by Sapphire Land Development Private Ltd (a group company of HDIL), and currently located in the Maldives, has also been barred from being alienated.

FDs and bank balances totalling Rs.9.93 crore held in the name of Waryam Singh and his family members have been frozen with HDFC Bank.

Further, documents relating to the immovable properties have been found and are being scrutinised for possible attachment under the Prevention of Money Laundering Act.

According to the ED, documents relating to the purchase of 2,112 acres of land have been found. The value of the land varies between Rs.1.5 crore and Rs.5 crore per acre. The verification of land details is in progress. The present value of the said land is likely to be more than Rs.3,000 crore.

The seized documents reveal that HDIL has work in progress at around 80 unencumbered properties in and around Mumbai. The valuation and ownership of the said properties is being ascertained. These include three flats in Pali Hill, Khar (West), Mumbai, valued at Rs.8.2 crore, 160 acres of land acquired in Sindhurdurg district (Maharashtra) for Vijay Durg Port Pvt Ltd in 2013-2014 and valued at approximately Rs.125 crore, 72 acres at Kukatpally, Hyderabad, owned by My Palace Society, in which HDIL has a 55 per cent share, 24 acres of this land has a clear title and is valued at approximately Rs.70 crore, 80 acres of land in the Yamuna Express Way Project at Greater Noida, which is jointly held and valued at Rs.110 crore, a bungalow in Mumbai valued at around Rs.110 crore, a 22-room farmhouse on a 2.5-acre plot worth Rs.80 crore approximately, a lavish farmhouse on 5 acres, with high quality construction worth Rs.60 crore to Rs.70 crore approximately, and two overseas properties in the name of the Wadhawans in the UAE and the UK, have been located.

The total value of movable and immovable assets seized, frozen and identified by the Enforcement Directorate being the proceeds of crime in this case is more than Rs.3,830 crore, which does not include value of 80 unexcumbered properties around Mumbai. The valuation of some of these assets is still in progress. Further investigations are in progress to identify and locate the balance proceeds of crime, the release said.



**No need to panic...
it's closed because
today is a holiday!**

**TAKE OVER ALL URBAN CO-OP. BANKS WHICH ARE IN
TROUBLE WITH ANY ONE OF THE PUBLIC SECTOR
BANKS - AIBEA**



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