FORUM

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CEC Meeting at Digha, W.B.

Representative Council Meeting at Digha, W.B.

Representative Council Meeting at Digha, W.B.

EDITORIAL

Modi's much trumpeted 'Surgical Strike' on black money at last ended in fiasco. According to reports available from authentic sources, 97% of the total high denomination currency notes of 500/- and 1000/- worth about Rs.15.44 lakh crores since demonitised overnight on 8th November, came back in the system before the end of the deadline December 30, 2016. In fine, almost the entire lot of black money held in stock has been turned white through the process. Now, faced with this stark reality our wide-shouldered, vanquished but still undaunted Prime Minister has changed the goal post from black money to plastic money with an ostensible bid to bring in a transparent economy. The Govt. already announced different sops to incentivize cashless digital transactions. Given the prevailing objective conditions of the country cashless or even less cash economy is purely a Utopian concept and is destined to be proved futile. It is equally uncalled for at the moment. As we know, many a developed economy in the world like that of Japan and China is essentially cash intensive. Globally around 85% transactions are cash based. Raising a hue and cry for going cashless is practically much ado about nothing. Truly speaking, Modi-Govt. is continuously resorting to political gimmicks one after another to distract public attention from its utter failure in all fronts.

Needless to mention, preposterous demonitisation move by Prime Minister Modi has wrought a havoc in our economy and caused serious disruptions in public life. Sudden withdrawal of 86% of currency in circulation combined with cash crunch continuing for days together delivered a deadly blow to all the core sectors of the economy. Productions in manufacturing industries dipped to the bottom, trade and commerce got shrunken with market running dry. Agriculture also suffered badly in absence of credits that the farmers usually receive from District Cooperative Banks and Primary Agricultural Credit Societies as these institutions had no cash at their disposal. Lakhs of unorganized sector workers have lost their jobs all over the country. Small businessmen, service providers, daily wage earners - all are equally worst hit. On the other hand common people including women, old and sick persons had to stand in long queues for hours and days together for exchange or deposit of the old notes in their possessions. They could not even withdraw the Govt. stipulated meager amount of money from their accounts as the banks including ATMs mostly had gone out of cash day after day. Situation is still running hard particularly in rural areas. More than 100 persons including some bank employees died helplessly under unbearable stress and strain let loose by the currency ban. According to renowned economists, the disaster caused to our economy will take a long time for recovery. A self-willed Prime Minister Narendra Modi, in fact, played a cruel joke with our countrymen particularly the poor masses under the veil of welfare.

Banking sector suffered most precariously as a result of demonitisation. All normal banking operations including loans and recovery came to a virtual halt which is destined to have its cascading effects on the annual balance sheets of different banks leading them to sustain loss and further erosion of their capital base. Votaries of reforms will receive a fresh boost thereby to push through their merger and acquisition agenda. Bank employees also have had the worst ever traumatic experience with the demonitisation imbroglio. They had to work restlessly even till midnight for days together to cater to innumerable customers standing in queue before their counters for exchange or deposit of specified Bank notes. Cash crunch which is still continuing made the situation all the more worse. Hats off to them; they have once again proved their mettle. Unfortunately enough, some Bank managements including ours are now keeping mum in the matter of paying compensations for their overstay and overwork. We cannot, however, give up our legitimate dues and must lodge claims for compensation. At the same time, we must share the pains of our people and expose the black deal of the ruling Govt. at the centre behind its apparent move against black money. Forthcoming Bank Strike on 28th February, 2017 called by UFBU, is a step towards that direction which should be made successful.

Amidst this ongoing chaos, our union UBIEU held its 2-day All India Representative Council Meeting befittingly as per schedule. Thus, the bell for 13th All India Conference of our beloved organization starts ringing. It is time to put in all out efforts to strengthen the organization further through massive actions and interactions with cross sections of our members. We must endeavour hard to get younger generation comrades involved in the mainstream of union activities. It is they who are to take up the baton of leadership in the days to come. A hard task indeed, but we must accept the challenge and come out in flying colours. We must grow stronger both in quality and quantity in the interest of our employees and the Bank as well.

WISH YOU ALL A VERY HAPPY AND PROSPEROUS NEW YEAR - 2017

We welcome constructive criticism, suggestions and also invite articles from our members and readers as well for further enrichment of our organ 'FORUM'. Our different Regional/State Committees are requested to send brief reporting of important programme, if any, organised by them for publication. Communications may e-mailed to us at ubieu.cec@gmail.com or sent directly to our CEC office.

- Editorial Board

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Banks as Victims

— C P Chandrasekhar

In the outcry against the disastrous demonetisation experiment of the Modi governemnt one aspect that has not been given adequate attention is the damage it has done to the reputation and the balance sheets of the banks. Customers queueing before bank doors and ATMs seem on occasion more forgiving of the government than of the harassed bank employees, who are forced to ration out currency and offer those customers they can accommodate, less than even the maximum withdrawal permitted by the government and the RBI. When new note are discovered in inexplicable sums in the hands of rogue operators, it is the bank officers and employees who are looked at with scepticism though they are not the only ones who figure in the long chain from the mints through the currency chests to the bank branches and the final holders of currency.

This damage to the reputation of institutions and individuals, which and who have been victims of the engineered cash shortage, is likely to be aggravated by the adverse effects the demonetisation may have for the already damaged profit and loss accounts and balance sheets of the banks. The end-June edition of the Reserve Bank of India's (RBI's) biannual *Financial Stability Report*, had reported that the gross non-performing assets (GNPAs) of trhe scheduled commercial banks (SCBs) had risen sharply from 5.1 percent of gross advances at the end of Mar-2015 to 7.6 percent at the end of March-2016. Both the level and rapid growth of the volume of bad assets gave cause for concern. According to answers given two questions in the Lok Sabha in August, while the total gross non-performing assets that were reported by them in the second half of financial year 2015-16 alone amounted to Rs. 2,770 billion. This rapid rise was partly the result of an asset quality review mandated by the previous RBI governor, Raghuram Rajan, which resulted in a recategorisation of a chunk of "restructed standard assets" as NPAs in the books of the banks. Restructured assets are those in whose case default had been postponed by adopting measures such as lowered interest rates and easier terms of repayment. But figures reported by *Reuters* indicate that stressed assets (or the sum of restructured and bad assets) on the books of the banks had risen from Rs. 8,060 billion at the end of December 2015 to Rs. 9,220 billion at the end of June 2016. So loans that were bad or near-bad are on the rise.

ABSURD SITUATION

It is in this background that another consequence of demonetisation for Indian banking must be assessed. This follows from the sharp increase in deposits of the demonetised notes with the banking system. On November 28, 2016, the Reserve Bak of India in a press release declared that up to November 27, 2016, demonetised notes worth Rs. 8.45 lakh core had been returned to the banking system. Since then the estimate has been revised to Rs. 11.55 lakh crore, as reported in the press conference presenting the Fifth Bi-monthly Monetary Policy Statement 2016-17 held on December 7, 2016. Only a small proportion of this is being withdrawn from the banking system given the ceiling on withdrawal and the shortage of new notes. As of December 10 while banks had received Rs. 12.44 lakh crore in deposits of the demonetised Rs. 500 and Rs. 1000 notes, they had issued only 4.61 lakh crore of the new notes. That was a net accretion of Rs. 7.83 crore in terms of deposits of the old notes that had not been neutralised with issue of new notes. This implies that there is a substantial increase in the deposits held by banks in the short run.

For the banks, the receipt of these deposits is a burden, since they had to pay deposits interest on their deposits which could not be withdrawn at the pace they were being generated because of the ceilings on cash withdrawals. On the other hand, lending or investing against these deposits to earn interest that can cover the cost of deposits was problematic because much of the money would be withdrawn as ceilings on withdrawals are relaxed. Moreover, such lending against large deposits received over a short period of time can not only be risky for a banking system already overburdened with stressed assets but extremely difficult to implement.

Combine all of this with the fact that just handling the absorption of demonetised notes and the distribution of new ones is keeping bank employees and officers overlooked, and the result has been a sharp decline in credit growth. According to figures from the Reserve Bank of India, as compared to an average increase in credit of Rs. 30-35,000 crore during the November 11 to November 25 period in the previous two years, the corresponding fortnight in 2016 (which followed demonetisation) saw credit provision falling by Rs. 65,000 crore. If lending shrinks while not be able to recoup the costs of deposits from the returns from lending.

One option was for the banks to park this money in interest earning instruments with the RBI. But this transfer of the interest burden from the banks to the central bank would have adversely affected the operating surpluses of the latter. To prevent this leading to a peculiar situation where the RBI may incur losses, the central bank chose initially to foreclose this option by declaring a 100 percent incremental cash reserve ratio for the banks. That is, all new deposits coming into the banking deposits with the central banks. So long as that situation prevailed banks would be incurring losses because they were paying interest on deposits that they could not lend or invest.

Since this absurd situation created by demonetisation could not last, the RBI and the government have chosen to offer an out for the banks and the central bank in the form of an enhanced Market Stabilisation Scheme (MSS). Under the scheme the RBI has been allowed as of December 2 to issue as much as Rs. 6 lakh crore worth of government securities which can be sold to the banks. As and when these securities are sold by the RBI and are held by the banks, the government has to pay interest on these bills. As the deposits are withdrawn from the banking system, easing the burden on the banks, the RBI can reduce the volume of these bills in circulation and reduce the interest bill payable by the central government. Meanwhile, by investing in those securities the banks can earn an interest that can cover the cost of incremental deposits held. By December 10, the RBI had exhausted much of this leeway it had got from the Rs. 6 lakh crore ceiling it was subject to on the bonds it can issue under the MSS.

IMAGE
SULLIED

It is true that due to this roundabout scheme under which the government is likely to have to shoulder an additional interest burden in excess of Rs. 9,000 crore this financial year, the losses incurred by the banking system would fall. But losses there will be, the full dimensions of which will only be known as banks begin to release their accounts for the quarter in which the period of implementation of the demonetisation exercise falls. But whatever those losses are, they will damage the profitability of banks and provide another reason why their image would be sullied for no fault of theirs.

Given the nature of the current dispensation in government and the RBI, it is likely that this damage to the image of banks inflicted by the government would provide grounds for the government to argue that public sector banks must bring in private capital through equity issue to strengthen their damaged balanced sheets and image. That is, both wittingly and unwittingly the governemnt is providing and will provide reasons why the government share in equity of the public sector banks should be brought below 50 percent, i.e. why they should be privatised.

That devious argument would only be strengthened by the fact that the economic, contraction that the demonetisation is resulting in would reduce government revenues, while schemes such as the MSS necessitated by demonetisation would increase the outgo because of interest payments in the government budget. Since these would raise the fiscal deficit of the government in this and the coming year, it would claim that it does not have the money to recapitalise the banks so as to restore their capital base after they have provided for their enhanced losses post-demoetisation. Privatisation as a route to recapitalisation and meeting the Basel III capital adequacy norms would, therefore, be advocated.

If this line of reasoning does materialise in practice, employees and officers in the banks would face one more challenge--- the restructuring of jobs that private owners would demand to reduce (personnel) costs to restore profitability. And since patriotism and commitment to the nation requires everyone to go digital, a case can be made that bits, phones and electronic gadgets can replace human beings to conduct the banking business. This is in keeping with the evidence that while demonetisation does little to curb black money or counterfeiting, it hits the working people who have been called upon to make sacrifies and endure hardships for the greater good of the 'nation', which in this case seems to be the rich earning profits through fradulent means.

(By courtesy People's Democracy—December 12-18, 2016 Publication)

Organisation - the First and the Last Word

—Com. Sukhamoy Sarkar

Conference bell of our organization UBIEU has already rung with successful commencement of the Representative Council Meeting at Digha, West Bengal, in early December 2016, where it has been resolved that the 13th All India Biennial Conference will be held in the last month of the current year 2017. Best Wishes to all in this Conference year of UBIEU. Now, the process of Meetings of Branch Units followed by Regional/State Conferences is to take place within the stipulated time frame. Now-a-days Unit Committee cannot be formed in many branches due to non-availability of minimum number of members required for formation of a unit committee under the given situation of acute shortage of manpower. In fact, that is why in the 11th Conference our Constitution was amended in order that all members can participate in their respective Regional/ State conferences.

Conference is mandatory as per Constitution to ensure democratic function of trade union activity. It should not be treated as a customary one. The entire process of holding it is rather the most important as well as an integral part of our constitution. It is the momentous hour when we should look back and ask ourselves how far we could maintain communication with the members, what were their grievances, whether those were pursued with the management, how many of those were redressed, how comfortably the members are working in their branches, what kind of miseries they had to face during the peak days of demonetisation, whether the attitude of the local managements are anti-employee, whether union circulars are read by the members, how many of them participated in the union programme including strikes held during the intervening period, how did they reciprocate to the communications made by regional/state committees, whether any initiative was there for enrollment of new membership and many such. All the foretold information and feedback can only be collected from interactive general meetings with the members of branch units. In absence of this practice, organisation can hardly be able to learn better and grow both qualitatively and quantitatively.

Functions of Regional/State committees should be introspected as well. They will have to take a stock of union activities like how many office-bearer meetings and full committee meetings were held, how many structured meetings were held with the CRM as per union negotiation policy, how many branch visits were undertaken and branches covered during such visits, whether all the new entrants were approached for membership, whether trade union workshop and/or interactive meetings were arranged as per direction of CEC for grooming up young members, whether queries put by them over phone or letter or social media were addressed in time, whether circulars, leaflets, posters were properly despatched to the members in branches, whether leaders were available to the members easily, whether periodical reports were sent to CEC and so on. Needless to mention all these are routine activities of the Region/State committees that provide inherent strength to the organization. Hence, we must assess and objectively analyse our performances and if there be any lapses, serious efforts should be made to remove the same at the earliest during the year.

Since many of our senior and experienced leadership already retired or are on the verge of retirement, we are vested with an onerous responsibility at the moment. We must put in our maximum endeavour to involve specially our younger generation comrades in the mainstream of union activities and nurture them carefully with constant guidance with an eye to rope them in the leadership of the organization in near future gradually. A mammoth task indeed; but we must do it all together. Truly speaking, it should be a continuous process. It is a bare fact that the youths in general are not initially much interested in union activities, but maintenance of a living and courteous comradely relation with the new generation can definitely go a long way to win over them and build up a bridge between the old and the new. It is the combination of experience and youthful vigor in the leadership that will rejuvenate our organization with further sharpening its fighting spirit.

We are passing through hard days. Manifold attacks have been unleashed by the Govt. at the centre on the working class of our country in general and bank employees in particular. We are already amidst sustained struggles and action programme including strikes to fight against the conspiracy of weakening the PSBs by looting of public money through creation of unprecedented NPA essentially by the corporate defaulters. We are seriously opposed to merger-acquisition and privatization of nationalised banks being contemplated by the Government at the centre allowing the unscrupulous corporates - both domestic and foreign, to take control over the deposit to the tune of lakhs of crores of rupees belonging to the common people of our country under the garb of financial stability. We must raise our voice against financial blockade to daily wage earners, farmers and small business entrepreneurs caused by demonetization. We will continue our struggle against downsizing of manpower and curtailment of hard earned rights of the workers being pursued by the Government-Banker combine to satisfy the never-ending greed of the corporate capital for profit maximisation. It hardly needs any mention that all these are but natural corollary of the neo-liberal economy since on run for the last 25 years in our country. Who else other than trade union/s will fight against such devastating onslaughts? So, there is no room for any second thought. We have to rise to the occasion and plunge into movements at right earnest ensuring active and massive participation of our members. Only a robust union can deliver the hardest blow to the conspirators. Let us all consolidate ourselves further to make the organization more vibrant and strong to meet the challenges to come. This is the need of the hour and task at this juncture.

The author is the President of BEF (WB) and Working President of UBIEU

Digital Dreams

—Jayati Ghosh

"Plastic is the new khadi" is the currently popular saying transmitted across social media. As Prime Minister Narendra Modi and his government continuously shift the goal posts of the extraordinarily violent demonetisation move, it turns out that the fruit of all the trauma that the majority of the Indian population is going through will be - to become a cashless society! The exhortation to move to e-payments has become the basis for the new definition of nationalism: the ability to pay for something with a card or a mobile phone or internet account is now the real proof of your love for your country and your desire for national progress. In the minds of some, swiping a card or a phone now probably comes second only to singing the national anthem as a signifier of patriotism.

Indeed, digitisation of exchange transactions seems to have become the silver bullet to deliver solutions to all problems, from fighting corruption, to ending poverty, to modernising society, even to ensuring sustainable development. These are all promises that have been made by the Prime Minister and several of his colleagues in the past weeks.

Therefore, all patriotic citizens who care for their country are to join this fight against any cash-based modes of exchange. The youth are to take up this move with missionary zeal; the old must learn to change their habits; students must go out and teach others how to do digital transactions; the rich (who mostly use non-cash means anyway) are to further flaunt their ability to do so; the poor are to be forced by the sheer absence of cash to somehow find their way in the digital world, even when they lack bank accounts or any form of stable income, or the basic connectivity that would enable it.

It is apparently not enough to use sheer coercion - ensured by the physical absence of currency - to nudge the population into using electronic means of payment. The people also must be "incentivised", in the charming phraseology adopted by our resident court jesters, to move away from cash and adopt the newer electronic systems. So the Finance Ministry is already providing various fiscal sops, which will naturally go to the better off in the country who are already able to use cashless modes. From 14 December, a discount of 0.75 percent on petrol and diesel has been offered on fuel purchases made using card payments. Service tax is being waived on card transactions of up to Rs 2000. Monthly and seasonal suburban railway tickets purchased through digital mode will get 0.5 percent discount from 1 January 2017. 10 per cent and 8 percent discount will be offered in case of general and life insurance for buying new policy or paying premium online via PSUs websites. And so on - all measures that are directly designed to transfer more benefits to the relatively rich in our society.

Some of the incentives could not be dreamt up by the most wicked of satirists: they can only emerge in this weird new political environment of delirious derangement. So the NITI Aayog has developed a system of "lucky draws" that are bound to get citizens excited about e-transactions, since now these will not only provide the bountiful benefits of "convenience" but periodically offer cash prizes! There will be weekly draws of lucky numbers of transactions to reward either buyers or sellers (or perhaps both, since governmental generosity in this noble cause is unbounded). The first "mega draw" of Rs 1 crore will be held, on 14 April, Ambedkar Jayanti. Remarkably, there is no irony or even sense of shame in this choice of date; rather it has apparently been chosen precisely "to send out a political message with an eye on the deprived and the poor sections", according to a report quoting an official involved in the process.

We are no longer in a world of an emperor without clothes. We have instead an emperor gone berserk, rushing around in different directions as takes his fancy, and able to drag an enormous population behind him: some vacuously enthusiastic, the majority uncomprehending but still trusting, and only a few still able to ask some sceptical questions about direction and purpose.

Exactly when and how digitisation became such stuff of the dreams of advancement in India is unclear. The simplistic belief in technology as the solution to all sorts of problems, rather than a tool to assist social change, has been brewing for some time: it was clearly incipient in the expansive hopes pinned on the Unique Identification Number. But from there to the idea that cashless exchange and e-commerce would automatically root out corrupt practices and lead to a completely formal economy is another very large step.

At the moment the Indian economy is certainly among the most cash-intensive in the world: prior to demonetisation around 98 per cent of transactions were estimated to be settled in cash (compared with 90 per cent in China, 85 per cent in Brazil and 55 per cent in the United States). But even this is not all that unusual: globally, around 85 per cent of transactions are cash-based, and many very advanced countries still rely heavily on cash, driven by personal choices in a particular social environment. There is no straight line linking degree of development with degree of cashlessness, despite some small countries like Belgium and Sweden being high-profile examples of less cash use.

E-banking and electronic transactions have been increasing in India, but the shares are still very small, even after the coercive pressure applied by demonetisation. It could have been brought in gradually, perhaps even accompanied by the embarrassing incentives now being touted, but in a way that would be less drastic and destabilising for most people. But dangling incentives after first pushing necessity and fear as drivers may be counterproductive.

The apparent unconcern in this digital drive for the unbanked in the country - still around one-third of the adult population, by most estimates - is palpable. They have been deprived of their own small holdings of cash without possibility of exchange other than illicit means, and they are unlikely to be able to engage in e-payments without a bank account either. So what exactly are they supposed to do? It is cruelly naive to say they should simply open bank accounts, given the many difficulties of those without various identity cards - which are incidentally still not legally compulsory in India. There are many stories of even those who have appropriate identity documents who wish to open accounts, who have been turned away, by banks because they are simply overburdened with the current work of distributing cash (or trying to) and verifying and filling in all the necessary - and constantly changing - forms. Many people are told to come back after 30 December, by which time their cash holdings will be worthless.

An important reason for the limited spread of e-commerce is that the infrastructure for such a payments system is so woefully lacking. It is true that there are a billion mobile phone subscriptions in India, but less than one-third of all Indians use smartphones. Only 7 per cent of low income families have access to even one smartphone. Around one-third of the population has internet access, but these are concentrated in cities and towns, which make up 70 per cent of all those with mobile internet access. Only 27 per cent of Indian use the internet, and 87 per cent of them live in urban areas, mostly the big metros. Only 17 per cent of Indian women use the internet (Pew Research Centre).

Connections are patchy and there is great disparity in connectivity. The average time to load a page on a mobile phone is 5.5 seconds in India, compared to 2.6 seconds in China, 4.5 in Sri Lanka, 4.9 in Bangladesh and 5.8 in Pakistan, (State of the internet QI 2016 report, Akamai Technologies). In many rural and semi-urban areas, the connectivity levels are so low as to make e-paymehts generally impossible.

Another huge constraint is the sheer lack of infrastructure like point-of-sale machines and the associated telecom equipment that enable digital transactions. As of 5 December 2016, there were an estimated 700 million debit cards and only 700,000 outlets that could accept them. With around 1.5 million point of sale machines, the debit card machine to population ratio in India was of 1,785, compared to 119 in Europe, 60 in China and 25 in the US. (Incidentally, despite the high incidence of credit/debit cards and card acceptance machines in the US, more than half of all transactions still occur in cash in that country.) The massive hike in demand of such machines from vendors post-demonetisation has been so large that suppliers cannot cope. In addition to the physical supply of machines, the need for approval and vetting by banks has further delayed the process of acquiring machines.

Significantly, a bigger bottleneck may well be the lack of associated telecom equipment to ensure the security of these transactions: without enough of these, the increasing volumes of transactions mean that systems would simply become overloaded and collapse. Indeed, this is already evident even in the metros, as previously simple e-transactions take longer and often require many attempts before they are successful. There are reports of Ministers visiting villages to sing the praises of cashless transactions, being embarrassed by their own inability to make a cashless transaction from their mobile phones in front of their audiences.

But these infrastructural and connectivity concerns may be only part of the problem. Two issues that have been submerged in the enforced euphoria around cashlessness deserve to be looked at more carefully. The first is that eventually this shift to e-money would make all Indians pay for all their transactions, as compared to transactions in cash that do not involve any cost. This amounts to a transfer of income from all consumers and producers, including the poor who really cannot afford it, to banks and a few "fin tech" companies engaged in e-commerce and mobile wallet services, who have already started raking in huge profits.

This is more than a general transfer of income from the population at large, including the poor, to banks and companies. The crony capitalism element of this measure should not be missed, since it is already clear that a few companies like PayTM and Reliance Jio are disproportionate beneficiaries of this move. One single company has emerged as the single biggest beneficiary in the mobile wallet market - PayTM, whose subscriber base has apparently grown more than hundredfold to 160 million in this short month. The early bird had incumbency advantages, coupled with massive advertising expenditure (it celebrated the demonetisation drive in full page newspaper ads in every major newspaper as well as on television, radio and internet) enabled by the deep pockets of its 40 per cent owner, Alibaba of China.

In addition, there are huge concerns about cyber-security and privacy - all seen as critically important in the advanced countries - that appear to have been all but forgotten in the current rush to move to electronic platforms. India is among the five nations in the world considered to be the most vulnerable to cyber attacks, according to a study by two US universities. It is not just privacy concerns that are important here. Possibilities of cybercrime and identity theft are even more important. A recent report noted that none of the e-wallet or mobile payment and banking applications used in India have the hardware security features necessary to make them secure. The danger from possible hackers or of other abuse of data is real.

In this connection, concerns about security leaks have already been voiced with respect to the foreign ownership of PayTM. These are equally valid for the foreign banks and private banks that will now have complete access to all sorts of crucial data relating to citizens.

What exactly has happened to our country and our society, that all these valid concerns - which should have demanded a more gradual, careful and systematic move towards increasing digitisation - have simply been forgotten or ignored? Is the mad rush toward cashlessness a case of "vinaashkaale vipareet buddhi"?

This article was originally published in the Frontline, January 06, 2017 Publication

Mediclaim – Some Frequently Asked Questions

—Aniruddha Chakraborty

(We are frequently confronted with several pertinent queries from our members about the industry level Medical Insurance Scheme as well as our Bank's Top-up Mediclaim Policy. The write-up by Com. Aniruddha Chakraborty who happens to be Vice President of our Kolkata (North) Regional Committee, is an humble efort to share our understanding with them. We hope to be enriched through interactions --- Editor)

ID CARD:

ID Card means the identity card issued to the insured person by the THIRD PARTY ADMINISTRATOR to avail cashless facility in network hospitals.

How to check /Update /Correct the names of your dependents in HRMS Employee Portal.

To Update / Correction the names of your Dependents in HRMS Employee Portal.

Open SAP HRMS EMPLOYEE Portal by using your SPF no. & DOB / Password .

Under " OverviewESS" (default page)
click on "Personal Information" (find at second of left hand corner of the default page). A new screen will open.
Next click " Family Member/Dependents".
You can check the existing details and update non exists Family & dependents details,if any, from below mentioned tabs.

*** New Child**

*** New Divorced Wife * New Father * New Mother * *New Brother/Sister *New Legally adopted children *New Phy.& mentally challenged bro.&sis.(40%) *New Child *New Widowed daughter *New Dependent divorced / seperated daughters *New Sisters**
***New unmarried sisters *New Dependent Divorced sister *New Dependent Abandoned sisters**
*** New Dependent Separated sisters form husband *New Widowed dependent sisters**
***New Dependent Father-in-Law *New Dependent Mother-in-Law**
*** New Wholly dependent unmarried children**
Click on the tab which you want to update. A new page will appear where you fill up the following.

Last Name (* marked): Already will be there (same as your surname, change if it is required)

First Name (* marked): Write the name (should match with his / her Photo Identity Card)

Gender : Click on Male / Female

Date of Birth (* marked): Click on it, calender will open & Select DOB perfectly from the calender.

(Do not write anything at other places)

Click on "Review" and check details of your submission before Click on "Save". New Entry will be shown at " Family Member/Dependents" and Click on Go to Family Member/Dependent Overview for adding another member in dependent list.

<u>FLOW CHART;</u>

<u>HRMS Employee Portal</u>

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Employee Self-Service

↓

Personal Information

↓

Family Member/Dependents

(Correct, Include, Delete as per Clause 18 (i), (ii) & (iii) of 10th BPS)

To Create health Card in TPA's Portal:

Mail <u>(text of mail is given below)</u> to Administration of your RO (e.g. admncaln@unitedbank.co.in) and mail to : Mr. Rajat Ghosh: 9475066448 (for SMS) & Mail to **rghosh@,bajoria.in** & **corpcellmumumiba@gmail.com** (to both for **Card** Related Issues) by your Branch Manager.

<u>Text of Mail</u>

Sri / Smt ______________________ (SPF no ________) is employee of our branch.

The Health card /s of HERITAGE of his / her family and dependents is/are not existed in the portal of HERITAGE.

The family and dependents details are given below.

SR.NO	NAME	RELATIONSHIP	DOB
1)			
2)			
3)			
etc.			

Please do the necessary to upload family/ dependent health card's in TPA's portal.

Process of Downloading E-Card from TPA's Portal:

Login to WWW.HERITAGEHEALTHTPA.COM

www. heritagehealthtpa, com

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IBA BANK STAFF

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E- Card

↓

Select Bank : United Bank of India

Emp. ID. : Write your SPF no.

Click Search Button

↓

Card Page Appears on the Screen

↓

Print / Save E-Card

Hospitalization:

Hospitalization Claim:

↙ ↘

Cashless **Reimbursement**

CASHLESS

(This facility can be obtained through Network Hospitals only)

A) PLANNED HOSPITALISATION (Cashless)

I) Employee can approach the Bank Claim Processing Hub or

II) Directly Approaching the Network Hospital

B) EMERGENCY HOSPITALISATION (Cashless)

Notice of communication

TPA details for Intimation:

Nodal Officer: Mr. Kumar Chatterjee : 9830895322 (for SMS)
Mail to both
kumarchatterjee@bajoria.in & **unitedbank.heritage@bajoria.in**
For PLANNED HOSPITALISATION :

Full particulars including Name & SPF No. of the Employee for admission to hospital needs to be sent to Bank / RO / TPA at least few days before hospitalization.

For EMERGENCY HOSPITALISATION :
Within 7 hours from the time of hospitalization to TPA.

Intimation should be in writing / e-mail / SMS and following points should be mentioned in it.

1. **Patient's name.**
2. **Date of hospitalization**
3. **Hospital's name & Doctor's name**
4. **ID card**
5. **Employee's name & SPF NO**

Claim Period :

Pre and Post Hospitalization expenses payable in respect of each hospitalization shall be the actual expenses incurred subject to 30 days prior to hospitalization and 90 days after discharge.

Reimbursement claim of CASHLESS HOSPITALIZATION from TPA

Submit claim for Pre Hospitalization and "Unpaid Treatment Expenses during hospitalization till the date of discharge " within 30 days after discharge.

Submit claim for Post Hospitalization Expenses within 30 days after completion of 90 days after discharge or the date of Fitness certificate whichever is earlier.

Reimbursement of NON-CASHLESS HOSPITALIZATION from TPA

Submit claim for Pre Hospitalization and Treatment Expenses during hospitalization till the date of discharge within 30 days after discharge.

Submit claim for Post Hospitalization Expenses within 30 days after completion of 90 days after discharge or the date of Fitness certificate whichever is earlier.

PAPERS NECESSARY FOR LODGING CLAIM:

1) Xerox of Health ID card of the hospitalized person.

2) Copy of the Intimation letter / mail.
3) Advice for hospitalization by the doctor (original).
4) Final Bill & discharge summary (both originals).
5) Pre- hospitalization treatment Bills / Cash Memos / Money Receipts/ All Pathological & other Investigation Reports(originals)
(All these should be supported bv the prescriptions of the doctors).
6) Money Receipts of consulting doctor's fees.
7) A Summary Sheet of all expenses in a plain paper (signed by the employee).
8) Claim Form duly filled up and signed by the employee.
9) A cancel leaf of cheque [For First time Claim only].

How to fill up the Claim Form (Heritage)

Primary Insured Person : Employee
Company / TPA ID : Written on Employee's Health ID Card.
Signature of the Insured : Employee.

Top-Up Mediclaim Insurance Scheme provided by the Bank:
Company: National InsuranceCo. Ltd.
Duration: 01.04.2016 - 31.03.2017
Amount: 6 lacs over and above the coverage under primary policy (i.e. 3 lacs)
Premium : No premium for this supplementary policy for the current year (2016-2017)

***Condition : Claim can be lodged here only if the coverage under the Primary policy from United India Insurance Co Ltd (Rs. 3 lacs) has been exhausted ("Full Amount Utilization Certificate" from United Insurance Co Ltd requires to start claim from National Insurance) TPA:**
FAMILY HEALTH PLAN TPA LIMITED (FHPL): 1st Floor, 16/2, Lake View Road, Kolkata - 700029.
E-mail id - info@fhpl.net, Website : www.fhpl.net;
CONTACT DETAILS : Direct No: 033 - 65503901 **Toll Free No.** 1800-425-4033 **For Any Complaint and Information : ayan.gupta@fhpl.net**

For Cashless Claim Related Issues. : Mr.Arindam Nath /Mr.Prasenjit Basak/Arup Dey; E-mail Id: preauthkol@fhpl.net or arupdey@fhpl.net Phone No. - 9231001004

For Reimbursement Claim Related Issues. : Mrs. Satadrita Bose and Mr. Ay an Gupta Phone No. : 033-65503901 and 9230101116 E-mail Id: satadrita.bose@fhpl.net; and ayan.gupta@fhpl.net;

For Card related Issues : Mrs. Satadrita Bose and Mr. Ay an Gupta
Phone No. : 9230101116 and 033-65503901 E-mail Id : ayan.gupta@fhpl.net;

Nodal Officer: Mr.Ayan Gupta Phone No.: 9230101116: E-mail Id: ayan.gupta@fhpl.net; Escalation : Mr. Arnab Roy (Dy.Manager) E-mail Id: arnabray@fhpl.net;

For **Top up Health Card**

Login to WWW.fhpl.net

↓

CLICK "LOGIN" & FROM THAT CLICK "E-CARD"

↓

A NEW SCREEN WILL APPEAR FROM THERE IN THE PLACE OF

CORPORATE ID WRITE 3880

USER NAME WRITE SPF NO

PASSWORD WRITE SPF NO

CLICK "LOGIN"

↓

FROM NEW SCREEN CLICK "Member Details"

↓

From the new screen : " To get E-Cards of your family members Click Here"

↓

PRINT THE HEALTH CARD

A GUIDELINE ON SOME ASPECTS OF DAY TO DAY JOBS

—Debasish Basu Chaudhury

Since introduction of Core Banking Solutions (CBS) in our bank, United Bank of India Employees' Union has been demanding for Job Card in commensurate with the service conditions of respective cadre. Job Card means specifying the jobs to be performed, particularly by the Single Window Operators (SWO).

From the old days i.e. when banking operations were done manually, there had been clear demarcation between the jobs of Officers' cadre and Clerical cadre. There had been desk card mentioning different types of functions for the clerical employees. It continued when the operations were partly computerised through Advanced Ledger Posting Machines (ALPM) and also in the LAN based Total Branch Machanised (TBM) system run through ISBS operation. There had been codified job details as per levels of officers and different designations in Cleroical cadre. The Vigilance Department issued many circulars in this regard.

It was necessary to redraft the Desk cards in operation for CBS system. We observed that all the concerned Departments, including CBS, IT, HR, OPS even Vigilance, remained reluctant in formulating Job Card. The management only declared Work Class Levels for different designation of Officers and SWOs. In absence of specification different practices developed in different places. Many jobs henceforth performed by the officers were entrusted on Clerical cadre in many places. Every now and then, newer products and jobs had been introduced without ascertaining the responsibility of different cadres in undertaking the jobs. As a result of mindless implementation of Khandelwal Committee Recommendations (KCR) in respect of ratio of Officers to Clerical Staff, in majority of branches of our bank numbers of Officers are more than that of Clerical staff. A section of branch management, taking the opportunity, are forcing the SWOs to do almost all the jobs even beyond working hours on regular basis.

The workmen unions in our bank, for the last decade, had been consistently demanding to determine basis of need based manpower assessment. We lodged our demand even before the KCR came into operation. After the KCR, our demand has become more logical. We have already established, beyond doubt, the relation between Job Card and Manpower Assessment. The manpower assessment would never be full proof without formulation of Job Card. The management, as per their last communication, has refused to introduce ob Card in our bank despite their clear assurance to do so in averting a strike call by the Unions. Our endeavour will continue for introduction of Job Card in our bank. We are glad that it has become a demand of all the award staff unions in our bank.

The management while issuing different Circulars on different jobs are not specifying the cadres to perform. They are intentionally using terms like ***users***, ***field level functionaries*** etc. Most of the local managements are identifying SWOs as the cadre to perform. In many places the term like ***Officials*** are also interpreted to be SWOs. By this, in our opinion, the SWOs are exploited and deprived of higher allowance. Moreover, many circulars on precautionary measures are being issued by the management which are not being adhered to in the branches for many reasons. This is applicable to security aspects also. As a result many employees are getting entangled with fraudulent activities.

The management while discussing with the Unions identified some jobs as Clerical jobs like work related with Cash, Clearing including OCC, Transfer, Deposit account opening and closing, draft/pay order etc. Apart from these, many other jobs are being performed by the SWOs which did not find any place in management's list. However, the Forum Sub Committee has decided to print one general guideline related with precautionary measures based on management's circulars and traditional practice prevailing in our bank to help the SWOs in the branches.

INTRODUCTORY:

§ **Always insist the branch management for issuance of Office Order**

There should be a job allocation of every employee. The employee would perform as per Job allocation. If any other job is entrusted to an employee by the management verbally, that must be supported by a written order. The written order may be issued a little later on the same day. It has become a practice that we perform jobs only on verbal order, without written office order. If any branch management refuse to issue office order, the respective Region/State Committee to be contacted.

§ **Any higher work class allotted temporarily to be reversed immediately**

An employee required to perform higher responsibilities like Head Cashier or Officiating are accorded with higher work class. It is observed, in many cases, that after joining of the permanent incumbent the SWO continues to work with higher work class. The work class to be reversed immediately on completion of temporary assignment.

§ **Sharing of ID & Passwords to be avoided**

Under no circumstances we should allow anybody to work with our id and passwords. Nor shall we work with other's id and passwords. Some of us are in the habit of leaving our seat keeping the window active or in GBM mode. Both are dangerous and creating an atmosphere helpful for the fraudsters. We must leave our seat either after exit the system or by locking the screen.

OFFICIATING BY SWOs:

☐ The senior-most clerical employee (by virtue of simple service seniority in the cadre) of the branch will be entrusted with the officiating duties against unfilled sanctioned vacancies of officers and/or against temporary vacancy in officers' cadre due to absence on leave/duty/training when the period of absence is seven days or more continuously.

- ☐ The entrustment of officiating duties will be made through office orders in writing specifying the period of officiating. Similarly, the clerical employee who refuses to accept officiating job, the said refusal will be recorded in writing.
- ☐ A clerical employee who is entrusted with officiating duties, subject to availability of time, can also be required to undertake routine duties and responsibilities of his cadre.
- ☐ The clerical employee entrusted with officiating duties shall not hold power of the Branch Head or perform such functionalities which specifies to Branch Head.

CASH:

- Ø Always insist for Office order when required to work in cash department.
- Ø Cash Keys hand over and take over must be done through Key Register.
- Ø Head cashier must not leave cash keys in branches.
- Ø Packets must be counted before use to avoid subsequent misunderstanding.
- Ø There must be lamp (tube or table) to verify tampering of instrument.
- Ø Denominations must be written in back of pay in slips
- Ø Always write denomination in back of cheque & withdrawal slips.
- Ø Presenter of cheque/withdrawal slip must sign before paying cashier.
- Ø Any intersol payment must be verified immediately.
- Ø For intersol payment of above Rs 10000 production of ID card by the account holder is a must. Enclosing photocopy of ID is not necessary as per Circular. The passing official must note the ID card details in the back of cheque.
- Ø For payment to illiterate account holders two witnesses are necessary. If passing official insists for payment of withdrawal slip across counter without issuance of tokens, practice of witnesses to be developed.
- Ø Issue physical tokens when amount of the instruments are above individual passing powers. We observe that practice of issuance of physical tokens has been discontinued in many branches.

ILLITERATE ACCOUNTS:

- √ On receipt of the withdrawal form or voucher, a Bank official will read out and explain to the concerned account – holder, the contents written and also obtain his/ her verbal confirmation that he/she desires to take payment of such amount and that the thumb impression appearing on the relative form/ voucher is his/ her own. The bank official will also certify on each form or voucher that he has explained to the depositor the contents thereof and verified both amount and the thumb impression appearing thereon in the above manner and found them in order. The official passing payment in the account of illiterate person, may affix the following legend towards satisfaction of clause-k "The thumb impression is of the account holder and I have obtained verbal confirmation of the contents of the voucher."

- √ All cash payments to illiterate customers shall be witnessed by person known to the customer as also to the Branch. However, Bank's personnel other than the paying cashier may also witness such cash payment.
- √ Payment of cash through withdrawal slip in Savings Bank account is restricted to Rs.20000/- per day for self withdrawal. However, only the branch head shall be permitted to allow payment beyond Rs.20000/-.
- √ No withdrawal by withdrawal form shall be allowed unless the withdrawal form is accompanied by the Pass Book. Exceptions, such as when the withdrawal is made by the customer himself and he is known to the branch, may be allowed under the written authority of the Branch Manager or the Manager (Operation). The letters, 'W.P.B', i.e. without pass book, shall be entered against the entry in the system. A noting "Customers identity and signature confirmed; allowed payment without pass book" must be put on the backside of the withdrawal slip under the signature of the officer allowing such deviation.

PRECAUTIONS TO BE TAKEN:

- Ø All cheques for Rs 50000 & above should be passed through Ultra Violet (UV) lamp before passing by the Officer. The officer after passing the cheque will put a rubber stamp on the reverse of the cheque with his initial stating that the cheque has been passed UV lamp.
- Ø No inter-sol transactions be done in accounts which are not operated well or Accounts which are less than six months old without getting a confirmation of issuance of the cheque from the Drawer.
- Ø For all cheques above Rs One lac, the confirmation from the drawer and/or drawee branch is mandatory unless the Manager of the paying branch is satisfied with the dealing/transaction. A record of such confirmation through mail or telephone is to be kept.

CASH REMITTANCE BY A BRANCH

No person other than a SWO A/B or any Officer considered to be competent, trustworthy and dependable for the work is to be employed for carrying cash remittance.

- ⇨ In remitting cash, the terms of cash in transit insurance policy should be carefully observed.

- Written order for cash remittance should be issued by the Manager and Officer(operation) to the Head SWO A/B directing him/ her to hand over the amount required to be remitted, through a specified person mentioning thereon the destination on the format specified by the Bank. This will be kept attached to the relative cash voucher. The specified person shall acknowledge the amount on the reverse side of the order and receive the money from the office in presence of the Authorised Official.
- Cash may be transported in bank's own cash van or in a hired vehicle as may be considered appropriate by the management keeping in view the local condition and law and order situation.

SOME IMPORTANT ASPECTS OF CLEAN NOTE POLICY:

- In respect of the packets of denomination of Rs 500/- and Rs 1,000/-, the Cashier preparing the packet will examine the notes and satisfying himself for the quality and counting the number of pieces as 100 in the note packet will wrap a note slip around the left hand edge of the packet and secure it by a girder. Simultaneously an adhesive note sticker will be affixed on the note slip covering a portion of the rubber girder on both sides of the packet and the cash stamp will be affixed on the note slip covering the note sticker on both sides of the packet. He will put his name stamp and full signature covering the note slip and the adhesive note sticker on the front side of the packet and will hand over the note packet to the Head Cashier/ Asstt Head Cashier/Authorised Official who will verify the correctness of the quantity of note in the packet in the presence of the Cashier and after verifying the correctness of the quantity, he will put his name stamp and full signature on the right hand side of the note slip and will prepare the note packet as per procedure mentioned in the relevant circular issued by bank management.
- In respect of the note packet of Rs.100/- and below, the cash stamp and Cashier's name seal with full signature will be affixed on both side of the note packet on the crossings of the adhesive tapes. The rubber stamp should cover both the vertical and the longitudinal adhesive paper tape. In respect of the note packet of Rs.500/ - and above apart from cash stamp the name seal of the Head Cashier/Asstt.Head Cashier /Authorised Official verifying the correctness of quantity of notes in the packet along with his full signature will be affixed on both sides of the note packet on the crossings of the adhesive tapes.
- The packets of notes prepared by the cashier following the procedures mentioned /outlined above will be handed over to the Asstt. Head Cashier / Head Cashier/ any authorised official, who will count the number of packets and check the sealing of the packets taken over before turning them into the vault.
- The cashier preparing the packets will remain responsible for both the quality and quantity of the notes in the packets prepared by him for denominations from

Re1/- to Rs.100/-. The Cashier will be responsible for quality of notes of Rs.500/- and above. Asst. Head/Head Cashier/any other authorised official who recounts such high denomination notes before preparation of the packets will be responsible for quantity of notes in such packets. The responsibility for the quality and quantity of notes continues till such time as the packets are broken and counted by a cashier in the presence of a cashier/Asstt. Head Cashier/Head Cashier/authorised official and found correct. Note packets of denomination of Rs.500 and above will be opened in the presence of the Head Cashier/authorised officer.

- Cashier's name stamp shall contain: i) Name of the cashier, ii) branch code, and iii) date of preparation of the packet (***Please note SPF No of an employee must not be mentioned in the name stamp***).

As notes for denomination of Rs 1000 has no legal tender character and 2000 rupee notes has come into circulation, it is understandable that all instructions for Rs 1000 in Clean Note Policy will be applicable for Rs 2000 notes. We'll take up the matter with appropriate authority for issuing necessary rectifications in this regard.

We observed many of the above noted regulations/instructions are not being followed meticulously by many of us while working in our desks. As such the employees are getting entangled into many problems including disciplinary cases out of fraudulent activities. While our endeavour for introduction of Job Card will continue, we would advice all concerned to follow the instructions issued by the management which may provide some protection in our daily activities.

(The author is the Treasurer of BEFI and General Secretary of UBIEU)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA
STARRED QUESTION No.*433
TO BE ANSWERED ON FRIDAY, THE 16TH DECEMBER, 2016
AGRAHAYANA 25,1938 (SAKA)

BLACK MONEY

***433. SHRI ANANTKUMAR HEGDE:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has made any assessment/estimation of the total amount of black money before/after implementation of the demonetisation in the country and if so, the details thereof;

(b) the number of cases of disclosure of income with various agencies;

(c) the amount of undeclared income involved and the present status of such cases; and

(d) the steps taken by the Government for expeditious disposal of said cases'!

ANSWER
FINANCE MINISTER
(SHRI ARUN JAITLEY)

(a) to (d): A statement is laid on the table of the House

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.*433, RAISED BY SHRI ANANTKUMAR HEGDE, HON'BLE MEMBER OF PARLIAMENT, FOR REPLY ON 16TM DECEMBER, 2016

There is no official estimation of the amount of black money either before or after the Government's decision of 8th November 2016 declaring that bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees shall cease to be legal tender with effect from 9th November 2016.

The searches conducted by the Income Tax Department during the period 01.04.2014 to 30.11.2016, in 1356 groups of assessees led to admission of undisclosed income of Rs.31,277 crore apart from seizure of undisclosed assets worth Rs.2,164 crore. Besides, 14,044 surveys conducted during the same period, resulted in detection of undisclosed income of Rs.30,492 crore. Further, during the period 01.04.2014 to-31.10.2016, the Income Tax Department filed 1544 prosecution complaints before criminal courts, besides compounding of offences in 2323 cases. 75 persons were convicted by trial courts for offences under direct taxes during the same period.

648 disclosures involving undisclosed foreign assets worth Rs.4164 crore, were made in the one-time three months' compliance window closed on 30th September 2015, under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. The amount collected by way of tax and penalty in such cases was about Rs.2476 crore. Further, under the Income Declaration Scheme, implemented by the Government during June to September 2016, 71,726 declarants made declarations of undisclosed income of Rs. 67,382 crore.

Whenever a case of undisclosed income/asset is detected, the Income Tax Department takes necessary action under provisions of direct taxes laws which include investigation, assessment of income, levy of tax, interest -& penalty and filing of prosecution complaints before criminal courts, wherever applicable. Other law enforcement agencies such as Enforcement Directorate, Central Bureau of Investigation, etc. also take action under law:, administered through them, in relevant cases, depending upon facts of each case. The Government has'taken several steps, both by way of policy initiatives as well as through more effective enforcement action on the ground, to more effectively tackle the issue of black money. These steps include putting in place robust legislative and administrative frame works, systems and processes with due focus on capacity building and integration of information and its mining through increasing use of information technology.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-703
ANSWERED ON-22.11.2016

Rise in NPAs in the banking sector

703 . Shri Anand Sharma

a) whether it is a fact that the banking sector in India has been witnessing rise in the stressed and non-performing assets (NPAs), if so, the reasons therefor;
b) the amount of stressed assets and NPAs for the year 2014, 2015 and 2016;
c) whether there is a proposal moved by NITI aayog to create a bad bank to hold the stressed and non productive assets and loan recovery; and
d) if so, the details thereof;

ANSWER

The Minister of State in the Ministry of Finance :
(a) and (b): The details of Gross Advances, Gross Non-Performing Assets (GNPA)+ Restructured Advances and Gross NPA + Restructured Advances ratio of Scheduled Commercials Banks (SCBs) for last three years are as under:

SCHEDULED COMMERCIAL BANKS (Rs. In crore)
GROSS ADVANCES GROSS NPA + RESTRUCTURED ADVANCES GNPA + RESTRUCTURED
ADVANCES RATIO
FY 2014 61,01,775 6,08,967 9.98%
FY 2015 66,91,204 7,28,925 10.89%
FY 2016 72,73,202 8,32,786 11.45%

Main reasons for increase in NPAs of banks are slowdown in recovery in the global economy and continuing uncertainty in the global markets leading to lower exports of various products like textiles, engineering goods, leather, gems, etc. The PSB's continue to be under stress on account of aggressive lending in the past,
d) if so, the details thereof

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 1711
TO BE ANSWERED ON 25™ NOVEMBER. 2016/27™ KARTIKA. SAKA. 1938

CURRENCY IN CIRCULATION

1711. DR. RAVINDRA BABU:

QUESTION

Will the Minister of FINANCE be pleased to state:

a) the amount of currency on circulation along with the amount of currency printed so far by various mints/RBI;
b) the estimated amount of black money in circulation in the country and amount stashed outside the country; and
c) the steps proposed by the Government to curb black money?

ANSWER
MINISTER OF STATE OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) The currency in circulation as on November 11, 2016 is ₹ 17877.2 billion. The supply of notes of various denominations from the presses to RBI during the last three years is as under:

Supply of Notes by the Presses to RBI (mpcs)

Denomination	2013-14 Supply	2014-15 Supply	2015-16 Supply	Total	Ave
Rs.100	5131	5464	4910	**15505**	**5168**
Rs.500	3393	5018	4291	**12702**	**4234**
Rs.1000	818	1052	977	**2847**	**949**
Total	20918	23652	21195	**65765**	**21921**

(b) & (c): There is no official estimation of the amount of black money within the country and stashed abroad. In the last two years, the Government has taken a number of steps to curb the menace of black money including setting up of a Special Investigation Team (SIT); enacting a law regarding undisclosed foreign income and assets; amending the Double Taxation Avoidance Agreement between India and Mauritius and India and Cyprus; encouraging the use of non-cash and digital payments; amending the Benami Transactions Act and implementing the Income Declaration Scheme 2016 etc.

I would, however, point out that this is not a welcome development. There is no job in the nearby urban areas. Better jobs are not available anywhere and the unskilled workers in the unorganized sector has only MGNREGA to fall back upon. The economy is in a serious crisis. Neither the Economic Survey nor the Budget proposals accepted the reality in its entirety. The Sooner the policy makers realize that the economy has its own logic, it has no obligation to please some day dreamers, the better.

The banking sector is bound to face further problem because the private sector demand for liquidity has no sign to pick up even though the repo rate has been cut. This is bound to happen. Since there is no signal from the market that 'orders' are picking up, no genuine investors would take the risk of taking new loan from the bank (money market) even if the cost of borrowing declines further. But this is not the only problem of the banking sector. We have already mentioned that the rate of gross capital formation is declining. If we unfold the story further, we would find that the corporate sector in India has shown a marked decline in asset turnover, *depicting falling capacity utilisations.* As a result, return on equity has taken a huge hit. The chief concern going forward is that new capacities that were added using leverage remain either under utilised or suffer delayed commercial commissioning. The effective gross capital formation is slowing down (in fact, it was negative in last three quarters). The additional capacity, instead of resulting in increased cash flows, is adding to the debt burden, thus creating additional stress. All these are developing because of lack of effective demand. No monetary instrument can address this problem. Unfortunately, the policy makers would not admit this, because they are obsessed with neo-liberal logic of supply-side explanation of macro-econmic behavour. The biggest casualty is the banking sector and the public sector banks bear most of this stressed assets because coupled with this problem there is the loot of the crony capitalists which they are to tolerate because of the political pressure of the heavy weights in the political arena. No wonder that the biggest contributor to the 10.2% pool of GNPA is state-owned banks, where the stressed asset ratios (SA/total advances) in some cases are already high percentages. The amount of top twenty Non Performing Assets (NPA) accounts of Public Sector Banks stands at Rs. 1.54 lakh crores in 2016

One must remember that the logic of economics cannot be wished away. Mr. Modi with his 56 inches chest dared to ignore the logic of macro-economics and decided to take foolish step in November, 2016.He thought that there is much liquidiy hidden in the money market in the form of 'black money' which can be mopped up by a srong measure.He announced demonetisation of thousand and five hunred rupee notes, thus paralysing about 87 percent of the cash transaction in Indian economy. He expected that about four lakh crores of rupees would be mobilised in this way and the crisis of the banking sector will be over without solving the NPA problem and keeping the *achhe din* of the crony capitalists in tact.After budget, one may safely conclude that he has been fooled, as the wise men in the field of professional economics expected.This was not to happen because not much of the black assets are kept in cash. Some small timers including a few operators in political field have been punished, but this is almost nothing compared to what is still there with the long time operator in this field. As a result, the problem of NPA still remains and one cannot address this problem without adhering to the issue of demand management.and garnering the political will to punish the crony capitalists.

(The author is an eminent economist & Retd. Professor of Calcutta University)

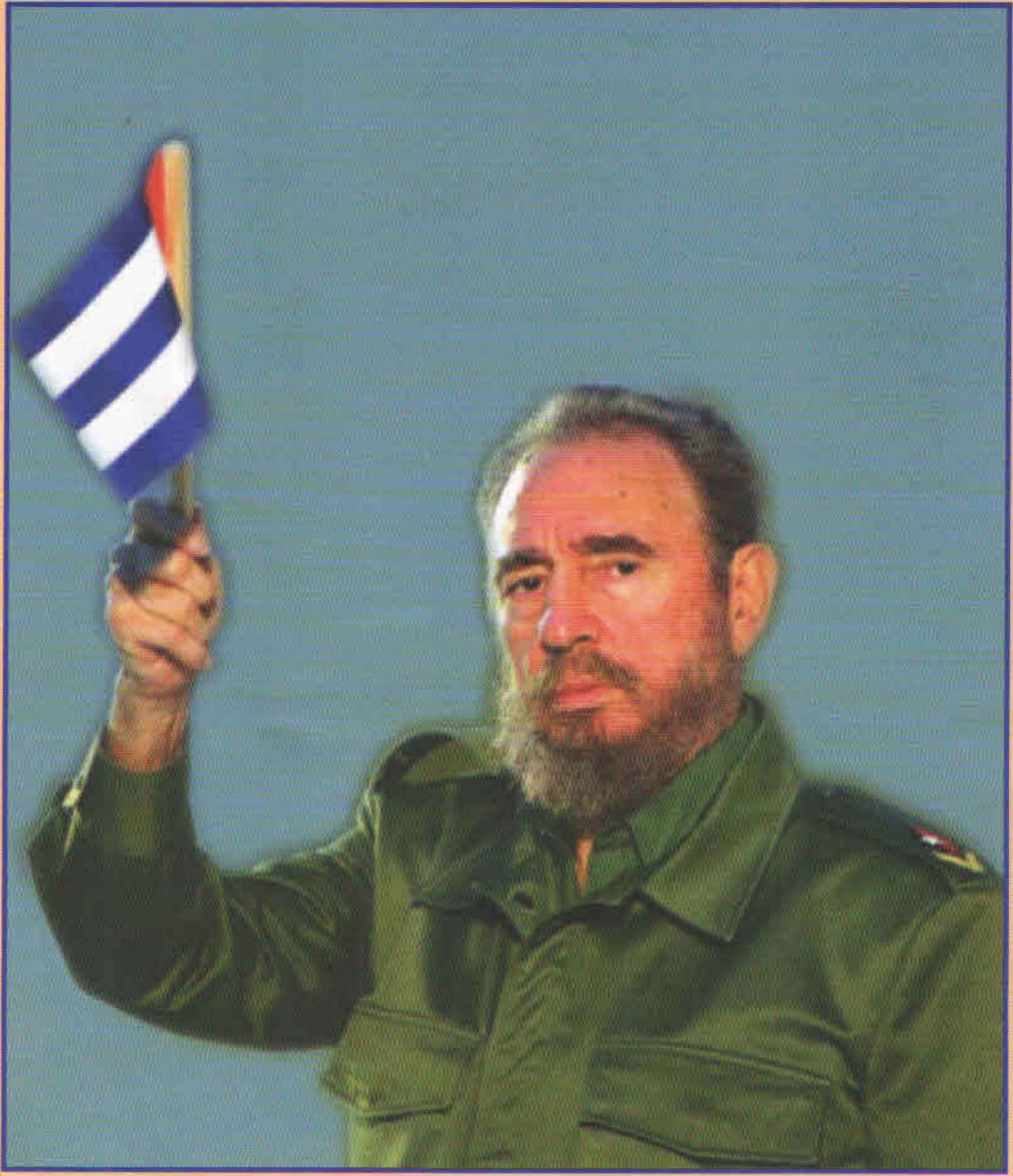
Representative Council Meeting at Digha, W.B.

All India Women Sub-committee Meeting at Digha, W.B.

All India General Strike
on 2nd Sept., 2016

All India Bank Strike
on 29 July, 2016

General Meeting of Bangalore Region
on 8th January, 2017



August 13, 1926 **November 25, 2016**

Com. Fidel Castro Ruz, Commandant-in-Chief of the Cuban Revolution and the country's former President, an iconic revolutionary leader of the proletariat of the world breathed his last on 25th November, 2016 at the age of 90. A fiery brand crusader against imperialism Fidel led Cuba to the steady path of socialism defying bravely ruthless sanctions imposed upon the country by the United States of America for nearly half a century. The working class of the world will continue to draw lessons and inspiration from this great hero for all ages to come. We dip our red flag in reverence to the memory of this apostle of revolution and staunch internationalist who will always be remembered as a true friend, philosopher and guide of the working class movement.

LONG LIVE COM. FIDEL CASTRO

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