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Editorial

FESTIVITY & BEYOND

This year amidst the Pandemic, the autumn festivity in India has commenced with Navaratri celebration being already over, gradually paving the way of Deepavali, which is in the offing. Though there was widespread speculation about spike in the contagion, people have more or less maintained the social distancing and other protocols of COVID-19 during the days of the festivals, though in absence of any strict guidelines on the part of the Union Government, the same might not have been in a uniform manner across the country. Another flip side of the season has been spurt in consumer demand and reasonable increase in wholesale and retail businesses that has given a somewhat boost to the economy, which has been experiencing slowdown from a time even prior to the Lockdown. Common Bond extends its festive & Dusserah Greetings to the Bankmen, well wishers, seniors and Our readers. We salute the Bankmen who laid down their lives in their line of duty and who braved the pandemic threat to keep the wheel of economy moving.

Unfortunately, the days of festivity are not uneventful for bankmen.In the recent past, the Hon'ble Labour Ministry of Government of India has implemented another unfortunate and ill-timed unilateral decision of change in the base year of consumer Price Index for the industrial workers (CPI-IW) from 2001 to 2016. Besides unilateral decisions of reduction in the weight of the food items in the standard consumption basket from 46.2% to 39% for the purpose of computation of the CPI and linking factor for converting the index numbers of 2016 to 2001 series from 4.63 to 2.88, this will also be a direct bolts on the working mass, who have already been facing huge plight on account of pay cut, etc.All these measures are designed to artificially suppress the real impact of the inflation of essential commodities and will certainly be depriving the working force of the organised sector of the country from getting legitimate compensation in the form of translation of price rise into reasonable increase in dearness allowances.

In the yester years, bank officers and employees have braved natural calamities and various other odds and responded to the call of the government and extended services to the people at large. This time too, bankers, as the true 'financial army' of the nation are fighting this great nationwide battle against the virulent Coronavirus in a bold manner, keeping shoulder to shoulder with the other workers of essential services such as doctors and medical workers, police, para-military / military forces and security staff, suppliers of food and essential commodities and so on. This is despite absence of safe and proper infrastructure in the banking hall and withdrawal of public transports including Suburban & Metro Railways in many major cities, inter-state and inter-district bus services at nook and corner of the country - a situation which is yet to reach the level of normalcy even after passage of 221 days since the date of official acknowledgement of the spread of the endemic. Though we assured the RBI as well as the IBA and the DFS our best cooperation in ensuring uninterrupted availability of banking services, many of the measures suggested by us for safeguarding the banking personnel in tune with the medical wisdom expressed by the global experts have not been implemented.

The current wage negotiation process started with a meagre 2% load on payslip components offered by IBA, which was outrightly rejected by the unions. Finally, an MoU has been signed on 22nd July, 2020 between the IBA and the associations / unions, which contained among other things, 15% increase on payslip cost of all PSBs. Besides, improvement in Family Pension to uniform rate of 30% was also announced on the same day. Though the load factor of 2.5% on the basic pay was not core to our heart, AIBOC and the other three officers' organisations agreed to the same in the greater interest of the entire banking fraternity, thereby paving the way of execution of the MoU. It was also categorically made clear to the IBA that the distribution of the remaining portion of the agreed hike of 15% on 'payslip components' between other different heads of PSC would be allocated in such a way that the benefit of the same reaches to the entire officers' community. The negotiation process is almost at final stage, but it is imperative that each and every member would have to remain vigil and rise to the occasion in case of any last minute distraction on the part of the IBA from the points hitherto agreed. Further, protracted struggle is need of the hour for ensuring many other legitimate demands of the pensioners and five day banking.

It is in this backdrop, we followed a presss interview of Honble FM assuring the bankmen that all their legitimate aspirations would be met and the issue of pensioners would be addressed for reaching a logical end. We do not know how the logical expectation be met with a 2.5 % load factor offered by IBAand how long at least the family pensioners would wait to see that the reported recommendation for enhancement in family pension get the requisite approval from DFS. Yes, we are not that suave an economist who could ensure a 23 per cent decline in GDP, but possibly old enough to understand the holiday stories, so effectively, circulated for the consumption of front line workers of financial army. No madam, no story telling in the run up to diwali, complete the process so that the bankmen, both serving & retiree, could light a Diya in conveying their good wishes for all the nice complements, you have showered on them.

Needless to emphasise that keeping in view the deliberate attempts on the part of the government to belittle the public sector character of the Indian banking industry, move towards privatisation is the foremost concern of ours. Consolidation of existing labour laws into 4 Codes i.e. Wages, Social Security, Industrial Relations and Occupational Safety, Health & Working Conditions, which is another agenda of the Government, is predominantly in favour of ruling class and designed to provide ample opportunities for closing business establishments without any need of establishing any rationale for the same, besides encouraging hire and fire policies. With a view to ensuring ultimate well-being of the entire working class and their families, all these issues have to be fought with true trade union spirit in a befitting and resolute manner.

We have miles to walk before we can even dreamt of taking rest. We have our promises to keep. Such urge for battle should come from within. Festival always declares the triumph of good over Evil. Civilization will beat pandemic. Working classs movement will collectively beat all the attempt to reintroduce anarchical, medieval labour & Indutrial laws and uphold the inner unity of the movement irrespective of caste, religion. faith or creed. Common Bond welcomes all nationwide struggle and vows to join ranks with the emerging struggle of the working classs to have an India of our dream. Stay safe.

IN THE SKY THERE IS NO DISTINCTION OF EAST AND WEST

WAGE REVISION TALKS

We are reproducing the joint communication dated 17.10.2020 by the four officers' organisations on the recent development in the wage revision talks.

Dear Comrade,

IBA DERAILS THE OFFICERS' WAGE REVISION

We reproduce below text of the joint circular dated 17.10.2020 on the captioned subject. All affiliates/ state units are requested to instruct their members to follow meticulously the instructions mentioned in the circular, to upheld the dignity and self-esteem of the officers' fraternity.

With revolutionary greetings,
Sd/-
(Soumya Datta)
General Secretary

ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)
ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)
INDIAN NATIONAL BANK OFFICERS' CONGRESS (INBOC)
NATIONAL ORGANIZATION OF BANK OFFICERS (NOBO)

Camp : Mumbai
Date: 17.10.2020

To All Affiliates of AIBOC/AIBOA/INBOC/NOBO

Dear Comrades,

IBA DERAILS THE OFFICERS' WAGE REVISION

As you are aware that after a prolonged lapse of time due to the external environment and conditions of life, an MOU was signed on 22nd July of 2020, wherein an amount of Rs.7898 crore was allocated representing 15% hike in wages in the banking industry. Out of the total corpus, Rs. 4513 Crore was the share of officers to be distributed in various heads for the benefit of all officers.

2. We had three rounds of negotiations through video conferencing on 24th of August, 10th of September and 12th of October 2020. In the last round of discussions, we were able to narrow down the differences in the matter of allocation of this enhanced quantum in various heads of the pay slip component. Thereafter, on the advice of IBA, the representatives of the officers' organisations reached Mumbai to commence the exercise on 15th and aimed to conclude the same within a week's time. The progress made on 15th and 16th was in the right direction. Several key issues were clinched after protracted negotiations, which would substantially benefit officers across the country irrespective of grade/scale. Having received the concurrence of IBA to hold the signing ceremony on 18th October, 2020, formal invitations were sent to representatives of our organisations across the country. However, today abruptly without any rhyme or reason, IBA in the forenoon informed their inability to conclude and ink the joint note pertaining to officers' wage revision w.e.f. 01.11.2017. The lame reason cited by them was not signing the costing exercise with the Workmen Unions. We protested against this unprofessional approach of IBA and wanted intervention of top brass of IBA who were evasive. Having assessed the overall situation created by IBA, a communication was sent to them expressing our strong displeasure, on the sudden turn of events

THERE HAS TO BE EVIL SO THAT GOOD CAN PROVE ITS PURITY ABOVE IT

leading to the unwarranted situation.

3. In this background after the analysis of series of developments it has been decided unanimously to retaliate with agitational programmes in a phased manner. The action programmes chalked out will commence with the following forthwith:

a) Withdrawal of extra cooperation.
b) Officers should restrict to the allocated work upto 6.00 p.m. only.
c) Officers should not respond official SMS/ Whatsapp beyond 6 p.m.
d) Officers are directed not to do any official work on Sundays and holidays viz. attend webinars/ office/ participate any programme related to canvassing of third-party products/ marketing drives/ training programmes/ 'P' Review meetings.

4. In view of the ensuing celebrations of festivals having national reflection, we advise all our units and members to strictly adhere to the above limited directions, preparing ourselves to plunge into intensified action programs as will be decided within the shortest possible time against the whimsical attitude exhibited by IBA.

Comrades, march on in unison to make the authorities to realise the ramifications of the situation created by their indifferent approach disrespecting the sentiments of officers' community.

With revolutionary greetings,

Comradely yours,

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(Soumya Datta)	**(Nagarajan S)**	**(Prem Kumar Makker)**	**(Viraj Tikekar)**
General Secretary	**General Secretary**	**General Secretary**	**General Secretary**
AIBOC	**AIBOA**	**INBOC**	**NOBO**

ECONOMY & BANKING

➲ RBI expects real GDP to fall by 9.5%. India's recovery is likely to be a three-speed recovery predominantly, with individual sectors showing varying paces depending on sector-specific realities, according to Reserve Bank of India (RBI) Governor Shaktikanta Das. For the year 2020-21 as a whole, the central bank expects real GDP to decline by 9.5 per cent, with risks tilted to the downside: (-)9.8 per cent in Q2 (July-September) 2020-21; (-)5.6 per cent in Q3 (October-December); and 0.5 per cent in Q4 (January-March 2021). Real GDP growth for Q1 (April-June) 2021-22 will see a rebound, with the RBI placing it at 20.6 per cent. "There is currently an animated debate about the shape of the recovery. Will it be V, U, L, or W? More recently, there has also been talk of a K-shaped recovery. *"In my view, it is likely to predominantly be a three-speed recovery, with individual sectors showing varying paces, depending on sector-specific realities,"* said the Governor in his bi-monthly monetary policy address. Das observed that the sectors that would 'open their accounts' the earliest are expected to be those that have shown resilience in the face of the pandemic and are also labour-intensive. Agriculture and allied activities; fast moving consumer goods; two-wheelers, passenger vehicles and tractors; drugs and pharmaceuticals; and electricity generation, especially renewables, are some of the sectors in this category.

➲ **Strike form and slog overs.**

"The second category of sectors to 'strike form' would comprise sectors where activity is normalising gradually.

"The third category of sectors would include the ones that face the 'slog overs', but they can rescue the innings. These are sectors that are most severely affected by social distancing and are contact-intensive," explained Das.

The Governor felt that by all indications, the deep contractions of Q1 2020-21 are behind us; silver linings are visible in the flattening of the active case load curve across the country.

➲ Barring the incidence of a second wave, India stands poised to shrug off the deathly grip of the virus and renew its tryst with its pre-Covid growth trajectory, he added. The RBI projected the CPI (consumer price index) inflation at 6.8 per cent for Q2 (July-September) 2020-21; 5.4-4.5 per cent for H2 (October 2020 till March 2021) 2020-21; and 4.3 per cent for Q1 (April-June) 2021-22 with risks broadly balanced.

➲ ***"Turning to the outlook for inflation, kharif sowing portends well for food prices.***.. International crude oil prices have traded with a softening bias in September on a weak demand outlook, but domestic pump prices may remain elevated in the absence of any roll back of taxes.

"...Covid-19-related supply disruptions, including labour shortages and high transportation costs, could continue to impose cost-push pressures, but these risks are getting mitigated by progressive easing of lockdowns and removal of restrictions on inter-state movements," as per the monetary policy statement.

➲ ***RTGS to be available 24x7 from December :*** The Reserve Bank of India on Friday announced that the Real Time Gross Settlement (RTGS), which is used for large value fund transfers, will be available round the clock from December this year. At present, RTGS, which has a minimum fund transfer of ₹ 2 lakh, is available for customers from 7.00 am to 6.00 pm on all working days of a week (except second and fourth Saturdays of the month). "With this, India will be one of the very few countries globally with a 24x7x365 large value real time payment system," RBI Governor Shaktikanta Das said.

"To support the ongoing efforts aimed at global integration of Indian financial markets, facilitate India's efforts to develop international financial centres and to provide wider payment flexibility to domestic corporates and institutions, it has been decided to make available the RTGS system round the clock on all days," the Statement on Developmental and Regulatory Policies said.

In December last year, the National Electronic Funds Transfer (NEFT) system was made available on a 24x7x365 basis.

Meanwhile, in another measure aimed at easing digital payments, the RBI also announced that it has been decided to grant authorisation for all Payment Service Operators (PSOs) – new applicants as well as existing players, on a perpetual basis, subject to certain conditions. This will "reduce licensing uncertainties and enable PSOs to focus on their business and optimise utilisation of scarce regulatory resources," it noted.

➲ ***FM Nirmala Sitharaman asks banks to prepare cadre of officials well versed in local languages to better serve customers :*** Finance Minister Nirmala Sitharaman on Thursday asked banks to prepare a cadre of people who can speak and understand a regional language in order to serve the customer better. This will bring them at par with other All-India services like Indian Administrative Services in true sense, she said while launching the Uniform Training Programme for Induction and Mid-Level Training, including a module on preventive vigilance for officers of public sector banks (PSBs). She said there is no point in banks claiming that they have pan-India presence when in some pockets, where Hindi does not work, their executives still need to learn native

THREE THINGS CANNOT BE LONG HIDDEN: THE SUN, THE MOON AND THE TRUTH

language to serve the customers. “We need to have a cadre of people who will have to understand the language of the state in which the posting happens,“ she said. Observing that recruitment in banks happens in an All-India fashion, she said officers are unable to speak the language of locals if the postings are deep into a state where Hindi is not spoken. “Of late, I have come across several friction points in some branch-level cases where because the locals come to the branch, and the branch officials are not able to speak the local language,” she said. - economist

➲ ***LVB shortlists three candidates for MD & CEO post; to send names to RBI in a week :*** The Committee of Directors (CoD) at the troubled Lakshmi Vilas Bank (LVB) has shortlisted three candidates for the post of MD and CEO and the names will be sent to the RBI within a week, an official of the bank said. The lender's chief executive S Sundar and six other directors were voted out by shareholders earlier this week. Post the removal, the Reserve Bank appointed a three-member Committee of Director.

➲ ***Crisil expects bank credit to grow by up to 1 pc in FY21 :*** The banking system's credit growth will plummet to a multi-decadal low of up to 1 per cent in FY21, domestic credit ratings agency Crisil said on Thursday. For non-banking finance companies (NBFCs), the shock will be more pronounced and assets under management (AUM) may decline by up to 3 per cent during the fiscal, impacted majorly by wholesale segment, it said. It can be noted that non-food credit growth was at 5.5 per cent as of August 28 as compared to the year-ago period. Lenders have been undertaking targeted measures to increase the growth and are pinning hopes on festive season for growth to go up.Generally, bank credit growth is said to be directly linked to the economic activity, which is set to contract by over 10 per cent in FY21. “Given the grim economic outlook, the banking system's credit growth will come at between 0-1 per cent in FY21. This will be a multi-decade low.

➲ ***SBI sees govt overshooting fiscal deficit numbers, pegs combined deficit at 13% :*** The union government is likely to overshoot the fiscal deficit numbers and the consolidated fiscal deficit of the Centre and the states is expected to touch 13 per cent of GDP during the current fiscal, says a report. According to the SBI Research report, the country's nominal GDP growth is expected to decline below the FY19 levels this year. “We are expecting a consolidated fiscal deficit of the Centre and the states to touch 13 per cent of GDP going by the current trends,“ the report said. According to the data released by the Controller General of Accounts (CGA), fiscal deficit, the gap between expenditure and revenue, during April-August was at 109.3 per cent of the annual target estimated in the Budget. In absolute terms, the fiscal deficit was at ₹ 8,70,347 crore.“Given these numbers (fiscal deficit had touched 109.3 per cent by August already at ₹ 8.7 lakh crore), sticking to the budgeted borrowing numbers of (₹ 12 lakh crore) indicates large expenditure cuts that will be clearly inimical to growth,“ the report noted. The report did not offer separate numbers for the Centre and the states.

➲ ***Dhanlaxmi Bank: RBI approves interim panel to run operations till new MD, CEO take charge :*** Dhanlaxmi Bank on Thursday said that the Reserve Bank of India has approved a three-member panel till the new managing director and chief executive officer take charge. The committee of directors will be constituted with Shri. G. Subramonia Iyer as chairman, G. Rajagopalan Nair and P.K Vijayakumar as members. The banking regulator has directed that the interim arrangement will not continue beyond four months, the bank said in the regulatory filing. The bank has been asked to complete the proceedings of appointing a new MD and CEO.

➲ ***RBI may consider ICICI Bank, Kotak Mahindra to bail out Lakshmi Vilas Bank, says experts :*** Will the Reserve Bank of India (RBI) rely on the mergers & acquisition (M&A) experience of private sector banks such as ICICI Bank and Kotak Mahindra Bank (KMB) to mount a rescue plan for the troubled Lakshmi Vilas Bank (LVB)? Financial market experts

BETTER THAN A HUNDRED YEARS OF IDLENESS IS ONE DAY SPENT IN DETERMINATION

feel that if the proposed amalgamation of the 'Clix Group' with LVB, which could lead to surplus capital of about ₹1,500 crore from Clix Capital becoming available to the bank on merger, does not materialise then the latter's merger with either ICICI Bank or Kotak Mahindra Bank may be the best option. They feel the regulator could possibly offer some regulatory dispensation to the acquiring banks to encourage a takeover. ICICI Bank has vast M&A experience, having acquired Bank of Madura (2000), Sangli Bank (2007) and Bank of Rajasthan (2013). KMB had acquired ING Vysya Bank in 2015. Moreover, ICICI Bank and KMB have raised capital in the last few months. ICICI Bank mopped up ₹15,000 crore via allotment to eligible qualified institutional buyers in August 2020. KMB raised ₹7,442.50 crore via a Qualified Institutional Placement (QIP) of equity shares in May 2020. The resources raised by these two banks could come in handy if they make up their mind on acquiring LVB. - Business Line

➲ ***Regional rural banks incur net loss of ₹ 2,206 crore in FY20:*** Nabard : Regional rural banks (RRBs) as a group reported net loss of ₹ 2,206 crore in the fiscal year ended March 31, 2020, as against ₹ 652-crore net loss in FY19, according to data published by Nabard. During FY 2019-20, 26 RRBs earned profit of ₹ 2,203 crore, while 19 incurred losses of ₹ 4,409 crore, the data showed.The data on RRBs, recently published by the National Bank for Agriculture and Rural Development (Nabard), is based on the data uploaded by the RRBs in the Ensure portal.As on March 31, 2020, there were 45 RRBs functioning in 685 districts of 26 states and three union territories (UTs). These RRBs were sponsored by 15 commercial banks and operating through a network of 21,850 branches.Gross non-performing assets as a percentage of gross loans outstanding of RRBs marginally declined to 10.4 per cent as on March 31, 2020, from 10.8 per cent as on March 31, 2019, the data showed.Share of standard, sub-standard, doubtful and loss assets stood at 89.6 per cent, 3.6 per cent, 6.5 per cent and 0.3 per cent, respectively, as of end March 2020.Eighteen of the 45 RRBs (as against 20 out of 53 RRBs as on March 31, 2019) had GNPA above 10 per cent as on March 31, 2020.RRBs, at aggregated level, achieved a growth of 8.6 per cent in their business in FY20 compared to a growth of 9.5 per cent in the previous year, according to the data. Total business of RRBs stood at ₹ 7.77 lakh crore as on March 31, 2020. Deposits and advances of RRBs increased by 10.2 per cent and 9.5 per cent, respectively during FY2019-20. - Business Standard

➲ ***Federal Bank Q2: Total deposits up 12 per cent, gross advances rise 6 per cent yoy :*** Private sector lender Federal Bank has reported a 12 per cent increase in its total deposits in the second quarter of the fiscal along with a six per cent jump in gross advances. According to provisional numbers reported by Federal Bank for the quarter ended September 30, 2020 in a regulatory filing, its total deposits amounted to ₹ 1,56,747 crore as against ₹ 1,39,547 crore a year ago.Gross advances stood at ₹ 1,25,202 at the end of the second quarter this fiscal compared to ₹ 1,17,622 crore a year ago. On a sequential basis too, the lender reported an increase in deposits as well as gross advances compared to the first quarter this fiscal. Customer deposits increased 13 per cent to Rs 152025 at the end of the second quarter from a year ago though certificates of deposits declined by 36 per cent to ₹ 1,840 crore at the end of the second quarter from a year ago. CASA ratio was at 33.68 per cent as on September 30, 2020 versus 31.55 per cent a year ago.- Business Line

➲ ***HDFC Bank's Ravi Santhanam in Forbes list of world's most influential CMOs :*** Ravi Santhanam, Chief Marketing Officer (CMO), HDFC Bank has been recognized in the Forbes list of 'The World's Most Influential CMOs'. Ranked at Number 39, he is the only CMO of an Indian company to be featured in the illustrious list which includes marketing heads of Apple, BMW, Lego, Adobe, Microsoft, P&G among others. This is the eighth edition of this annual list released by Forbes with research partners Sprinklr and LinkedIn. This year, 427 global CMOs were eligible for consideration. It is generated using data from news reports, websites, and social networks to measure influence. - economic times

YOU WILL NOT BE PUNISHED FOR YOUR ANGER, YOU WILL BE PUNISHED BY YOUR ANGER

➲ ***Religare funds scam: Delhi court dismisses bail plea of former Laxmi Vilas Bank Vice President :*** A Delhi court has dismissed the bail plea of former Laxmi Vilas Bank Vice President Pradeep Kumar in a case related to alleged misappropriation of funds at Religare Finvest Ltd. Additional Chief Metropolitan Magistrate Vijeta Singh Rawat said as per the charge sheet there was prima facie incriminating material against Kumar. During the period of the alleged offence committed in 2019, Kumar was the Vice President and Relationship Head of North Regional Office (Delhi), of Laxmi Vilas Bank (LVB). Kumar was chargesheeted in the case by the Economic Offences Wing of the Delhi police for allegedly abusing his position and conspiring with the then management of RFL, RHC Holding Ltd, and Ranchem Ltd, to misappropriate a sum of Rs 791 crore. - economic times

➲ ***Interest waiver: Those with home loans and personal loans to benefit the most :*** In a bid to handhold small borrowers and ensure that the burden of waving off compounding interest on loans for the six-month moratorium period does not fall on banks, the Centre, in an affidavit filed in the Supreme Court, has stated that it would bear the cost of the waiver relief. By capping the relief to only loans upto ₹ 2 crore and to the compound interest component (interest on interest), the Centre has limited its outgo to ₹5,000-6,000 crore. This is assuming that all borrowers are offered the relief — whether they opted for the moratorium or not. Interestingly, the RBI data (interest rate and credit limit-wise loans) as of March 2020, suggests that over 75 per cent of loans upto ₹ 2 crore are charged 6-12 per cent interest rates. Hence, nearly half of the ₹6,000-odd crore of interest on interest waiver will pertain to such loans that are currently charged 6-12 per cent. Loans that are charged over 20 per cent would also constitute over 15-18 per cent of the Centre's proposed waiver relief. - Business Line

➲ ***Former Union Bank of India official convicted in fraud case :*** The Special Judge for CBI Cases, Chennai, on Thursday sentenced R Kannan, former Chief Manager of Union Bank of India in Chennai's Mount Road branch, to three years rigorous imprisonment with a fine of ₹ 2 lakh in connection with a bank fraud case involving top officials of Chennai-based National Medicines Private Ltd. In a press release, the Central investigating agency said it has registered a case on the allegations that between 2006 and 2007, the Directors of National Medicines conspired with Kannan and Parvathi Ramakrishnan, the then manager of Standard Chartered Bank, Chennai, with an intention to cheat the Union Bank of India. The CBI said that the bankers and the directors of the company have fraudulently availed enhanced cash credit (CC) facility from the bank by submitting disputed property as collateral security and diverted the sanctioned loan amount. "A loss to the tune of ₹ 6.19 crore was caused to Union Bank of India," the release said. - Business Line

➲ ***Loan Moratorium: Centre tells SC it will waive compound interest on specified loans of up to ₹ 2 crore :*** Most individual borrowers of housing, educational and personal loans as well a sizeable section of MSMEs will benefit, as the government on Saturday agreed in the Supreme Court to waive compound interest on their loans of up to ₹ 2 crore for the six-month (March-August) moratorium period. The waiver of interest on interest will also be given to all such loans by such categories of borrowers, whether or not they availed themselves of the moratorium facility. Bankers say while a precise estimate of the cost to exchequer of the move is hard to put out now, it could be anywhere between ₹ 10,000 crore and ₹ 20,000 crore, depending on the guidelines for implementation.However, the government argued strongly against extending such relief "for all types of loans for all categories of borrowers", saying "such a blanket decision would cause a huge burden of ₹ 6 lakh crore on banks, likely wiping out a major part of their net worth and even rendering most of them unviable". - financial express

➲ ***FPIs pull out ₹ 3,419 crore in September :*** Snapping their three-month buying spree, overseas investors turned net sellers in Indian markets in September due to uncertainty ahead of the US presidential polls and surging coronavirus cases.

THE FOOL WHO KNOWS HE IS A FOOL IS MUCH WISER THAN THE FOOL WHO THINKS HE IS WISE

Foreign investors withdrew ₹3,419 crore on net basis from Indian markets in September, according to depositories data. A net of ₹7,783 crore was withdrawn from equities while the debt segment saw inflows of ₹4,364 crore. Foreign portfolio investors (FPI) adopted a cautious stance ahead of the US presidential election and renewed fears due to rising Covid-19 cases, among others, experts said. - Business Line

➲ ***Worst is behind, likely to complete RFL debt restructuring by December:*** Religare Enterprises chairperson : Having paid ₹ 6,500 crore to lenders since the change of management in 2018, Religare Finvest Ltd (RFL) is likely to complete its debt restructuring by December and start new business from next financial year, Religare Enterprises Chairperson Rashmi Saluja said. RFL, a NBFC arm of Religare Enterprises Ltd, has been barred from undertaking fresh business as it is under corrective action plan (CAP) of the Reserve Bank of India (RBI) since January 2018 due to its weak financial health. The company has been in financial distress, primarily due to alleged misappropriation of funds by erstwhile promoters Shivinder Singh and his brother Malvinder Singh. "Worst is behind...while all other business are performing, RFL is slowly getting out of woods. Two years ago, all four wheels (of RFL) were in the ditch and the wheels were stuck. Now the wheels are on the ground and we are refuelling for a take off," Saluja told PTI in an interview. - financial express

➲ ***Market cap of 8 of 10 most valued firms zooms ₹ 1.45 lakh crore; TCS biggest gainer :*** Eight of the 10 most valued companies added ₹ 1,45,194.57 crore in their total market valuation last week with Tata Consultancy Services and HDFC Bank emerging as leading gainers. During the holiday-truncated week, the Sensex advanced 1,308.39 points or 3.49 percent. The market valuation of Tata Consultancy Services (TCS) zoomed ₹ 37,692.7 crore to ₹ 9,46,632.85 crore, emerging as the biggest gainer among the top 10 firms. HDFC Bank''s valuation jumped ₹ 34,425.67 crore to ₹ 6,09,039.90 crore. The market capitalisation of HDFC gained ₹ 25,091.57 crore to ₹ 3,21,430.66 crore. Reliance Industries Limited (RIL) added ₹ 15,789.36 crore to ₹ 15,04,587.18 crore and the valuation of ICICI Bank rose by ₹ 14,244.15 crore to reach ₹ 2,54,574.08 crore. - moneycontrol.■

CIRCULARS

62 dated 25th September, 2020: Text of Joint communique submitted to Hon'ble Minister of State for Finance and Corporate Affairs from four officers' organisations dated 25.09.2020 on introduction of 5 day week in Bank.

63 dated 03rd October, 2020: Text of Joint communique sent to Convenor UFBU from four officers' organisations on Pension updation and related issues.

64 dated 06th October, 2020: 35th Foundation Day of AIBOC

65 dated 08th October, 2020: Text of Joint communique sent to the Chairman, IBA on 05.10.2020 from four officers' organisations on Medical Insurance Scheme – Our Concern

66 dated 17th October, 2020: Text of the Joint Circular dated 17.10.2020 regarding the latest development in wage negotiation.

67 dated 29th October, 2020: DA Revision w.e.f. 01.11.2020.■

EVERY HUMAN BEING IS THE AUTHOR OF HIS OWN HEALTH OR DISEASE

JUDICIAL VERDICT

2020 LLR 759
MADRAS HIGH COURT
Hon'ble Mr. Abdul Quddhose, J.
W.P. (MD) No. 12167/2018, Dt/-26-2-2019
Karur Town Cooperative Bank Ltd.
Vs.
Presiding Officer, Gratuity Appellate Tribunal,
Trichy and Another

Payment of Gratuity Act, 1972 – Sections 13 and 4(6) – Withholding of gratuity – When not sustainable – Legal heirs of deceased employee claimed gratuity – Contention of petitioner-em-ployer is that terminal benefits including gratuity of the deceased is withheld as per order of Civil Court since several creditors have filed recovery suit against the deceased who had taken loans from them – Controlling Authority passed claim in favour of legal heirs of the deceased – Appeal filed failed. Petitioner has challenged orders of lower authorities in writ petition – Held, as per Section 13 of the Act, gratuity payable to an employee is not liable to attachment in execution of any decree / order passed by court – even no attachment order is passed by any Court – Hence, writ petition is dismissed – Amount of gratuity with 10 % interest from the date of death of the employees till date of payment, upheld.

For Petitioner: Mr. Premkumar for Mr. K. Govindarajan, Advocate.
For Respondent No. 1 & 2: Mr. M. Jevakumar, ADP
For Respondent No. 3: Mr. M.P. Senthil, Advocate.

IMPORTANT POINTS

* As per Section 13 of the Payment of Gratuity Act, 1972, gratuity payable to an employee is not liable to attachment in execution of any decree / order passed by Court.

* An employer is having a right to forfeit the gratuity of an employee only in the eventualities as provided under Section 4(6) of the Payment of Gratuity Act, 1972.

* Denial or forfeiture of gratuity in the absence of a specific order of termination coupled with order of forfeiture of gratuity in unjustified.

1. The instant writ petition has been filed challenging the order dated 12.11.2013 passed by the first respondent in PGACP No.06 of 2013, confirming the order dated 06.08.2012 passed by the second respondent in PG No.47 of 2012.

2. It is the case of the petitioner that one Vijayakumar worked as Assistant in the petitioner's Co-operative Bank and died while in service on 24.06.2007. According to the petitioner, the third respondent is the wife

HE WHO SEEKS HAPPINESS BY HURTING WILL NEVER FIND IT

of the Vijayakumar and one of the legal heirs of the deceased Vijayakumar. It is also admitted by the petitioner that the terminal benefits are to be settled to the deceased Vijayakumar and the said benefits including death claim of ₹1,00,000/-, gratuity of ₹ 3,50,000/- life insurance of ₹ 46,670/-, provident fund of ₹ 71,438.70/- and pending salary of ₹ 36,000/-, totally a sum of ₹ 6,04,108.70/- is payable as terminal benefits to the deceased Vijayakumar by the petitioner. It is the case of the petitioner that the deceased Vijayakumar had borrowed money from various creditors including banks and had defaulted in http://www.judis.nic.in repayment of the said loan. It is their case that in view of the default, some of the creditors had obtained an order of stay in civil Court against the petitioner not to disburse the terminal benefits to him. It is also admitted by the petitioner that subsequent to the death of Vijayakumar, his wife namely third respondent herein, approached the petitioner's bank on 05.11.2007 and made a request for the disbursement of the terminal benefits payable to the deceased husband. But it is the case of the petitioner that the third respondent gave an undertaking to the petitioner on 27.12.2007 that she would accept the civil Court decree with regard to her husband's terminal benefits.

3. According to the petitioner, the details of the suit filed by the various creditors for the recovery of the loan availed by the deceased Vijayakumar were also furnished to the third respondent by the petitioner. Since the terminal benefit were not paid to the third respondent, who is the legal heir of the deceased Vijayakumar, she approached the second respondent under the Payment of Gratuity Act against the petitioner for non payment of gratuity to the deceased Vijayakumar under PG No.47 of 2012 and the same was allowed by the second respondent by its order dated http://www.judis.nic.in 06.08.2012, directing the petitioner bank to pay a sum of ₹ 3,57,770/- as gratuity to the third respondent together with 10% interest from the date of death of Vijayakumar till the date of payment. Aggrieved by the order dated 06.08.2011 in P.G.No.47 of 2012 passed by the second respondent, the petitioner preferred an appeal before the appellate authority namely, the first respondent in PGACP No.6 of 2013. By an order dated 12.11.2013 passed in PGACP No.6 of 2013, the first respondent also confirmed the order dated 06.08.2012 passed by the second respondent. Aggrieved by the dismissal of the appeal, the instant writ petition has been filed by the petitioner's co-operative bank.

4. Heard Mr.Premkumar, learned counsel appearing for the petitioner and Mr.M.Jeyakumar, learned Additional Government pleader appearing for the respondents 1 and 2 and Mr.M.P.Senthil, learned counsel appearing for the third respondent.

5. It is admitted by the petitioner that the terminal benefits are payable to their deceased employee Vijayakumar and the third respondent is his wife, who is one of his legal heirs. But the only dispute which they have raised is that several creditors have filed http://www.judis.nic.in suits against the deceased Vijayakumar for the recovery of loans granted by them to him and that the said order was already granted by the same civil courts restraining the petitioner from disbursing the terminal benefits to the deceased Vijayakumar. Both the authorities below have concurrently held that the terminal benefits payable to the employees cannot be attached in view of the statutory bar under Section 13 of the Payment of Gratuity Act, 1972. Further as seen from the impugned orders dated 06.08.2012 and 12.11.2013 passed by the first and second

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respondents respectively, no documentary evidence was produced by the petitioner before the authorities below to prove that the attachment orders were passed by the civil courts restraining them from disbursing the terminal benefits including the gratuity amount payable to the deceased Vijayakumar.

6. As rightly pointed out by the learned counsel appearing for the third respondent that under Section 13 of the Payment of Gratuity Act, 1972, no gratuity amount payable to an employee can be attached in execution of any decree or order of Civil Court, Revenue or Criminal Court. When there is a statutory protection given to an employee under Section 13 of the Payment of Gratuity http://www.judis.nic.in Act, 1972, the petitioner ought to have paid the terminal benefits to its employee Vijayakumar, even if there was an attachment order passed by the civil courts restraining them from disbursing the gratuity amount. In the case on hand, there was an attachment order, despite the said fact that the petitioner has not disbursed the terminal benefits to its employee Vijayakumar. The authorities below have rightly considered all these factors and have rightly directed the petitioner to pay the gratuity amount of ₹ 3,57,770/- together with 10% interest from the date of death of Vijayakumar till the date of payment.

7. In the result, there is no merit in this writ petition and accordingly, the same is dismissed. The petitioner is directed to pay the gratuity of ₹ 3,57,770/- together with 10% interest from the date of death of Vijayakumar, i.e., is from 24.06.2007 till the date of payment to the third respondent within a period of eight weeks from the date of receipt of a copy of this order. No costs. Consequently, connected miscellaneous petitions are closed.■

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