



IBOA CONNECT



All India Indian Bank Officers' Association

3, Sripuram 2nd lane, Royapettah, Chennai 600 014,

Ph No. 044-2811 3376/86

Email: iboa.tn.pondy@gmail.com

Website: www.aiiboa.in

Vol : 6 - Issue : 6

Internal Circulation

April 2022

TRADE UNION MOVEMENT IN INDIA

Dear Comrades,

Prior to the First World War, there were no formal organizations of workers which could be called trade unions. However, the period witnessed quite a number of spontaneous and sporadic spurts of strikes on economic as well as political issues.

The period intervening between the world wars is significant for a number of events having a direct or indirect bearing on the trade union movement of the country. These included:

(i) formation of trade unions in a number of industries, (ii) establishment of the All India Trade Union Congress, a federation of trade unions at the national level, (iii) enactment of the Trade Unions Act, 1926, (iv) formation of Congress ministries in most of the provinces and (v) enactment of laws restricting work-stoppages and initiation of compulsory adjudication as a method of settling industrial disputes.

The first trade union was the Madras Labour Union, set up in 1918, followed by the establishment of the Ahmedabad Textile Labour Association in 1920. During the First World War and the years immediately following, a number of trade unions were formed in most of the manufacturing industries of the country. The pace of unionism was accelerated with the establishment of the All India Trade Union Congress in 1920 and the enactment of the Trade Unions Act in 1926. The great depression of 1929 had a retarding effect on the growth of trade unions for a few years immediately following, but the Second World War and the formation of Congress ministries in provinces gave a boost to the movement.

The Trade Unions Act, 1926, in operation even today, provides for the registration of trade unions, and confers upon registered unions important civil and criminal immunities. The act gave a fillip to the formation of trade unions and strengthening of

their activities. The laws relating to settlement of industrial disputes such as the Trade Disputes Act, 1929, Rule 81(A) of the Defence of India Rules, 1942, the Bombay Industrial Disputes Act, 1938, and the Industrial Disputes Act, 1947, imposed severe restrictions on strikes, which exercised a deleterious effect on trade union activities. The provision of adjudication machineries under the Defence of India Rules and the Industrial Disputes Act also had a crippling effect on the bargaining power of unions.

During the later years of the period, there had been a realization on the part of the government that the adoption and implementation of industrial and economic policies and maintenance of industrial peace would be difficult without the cooperation of trade unions. This led to the establishment of a few tripartite bodies at different levels. These included: Indian Labour Conference and Standing Labour Committee at the national level, Industrial Committees at the industry level and Labour Advisory Boards at the state level. These bodies provided useful platforms where trade unions could express the workers' points of view on important issues concerning labour.

The years following 1950 has witnessed a number of significant events profoundly influencing the nature and direction of the trade union movement of the country. Of these, the more outstanding have been: coming into force of the Indian Constitution with its enunciation of quite a number of rights and privileges for the workers, adoption of industrial and economic policies from time-to-time with their direct or indirect bearing on trade unions' policies and programmes, mushroom growth of political parties with their close relationships with trade unions, enactment of a variety of labour laws, appointment of commissions on

labour, and creation and expansion of both non-statutory and statutory tripartite bodies at various levels.

The period experienced an unprecedented increase in the formation of trade unions which continued to spread to numerous unorganized sectors. The number of registered trade unions in 1950–51 was a little less than 4,000, but it increased to over 84,000 in 2008 recording about twenty five times increase.

A notable feature of the trade union movement during the period has been the trend towards the formation of federations of trade unions in various industries and employments, particularly railways, banking, insurance, posts and telegraphs, mines, iron and steel, cotton textiles, plantations, electricity, cement and chemicals. The period also witnessed the formation of federations of unions of government employees, teachers, transport workers and many other categories of employees. The main factors that led to the formation of such federations included: a trend towards the centralization of decision-making, need for launching struggles on a wider scale having large coverage of employees, and the ineffectiveness of primary unions in negotiations and pressuring the government and employers for the cause of their members.

The existing important central federations of trade unions in the country are: AITUC, INTUC, HMS, UTUC, BMS, CITU, NLO, UTUC-LS, NFITU, TUCC, AICTU, ABKS and AIFTU. All these central federations are affiliated to one political party or the other. They have been launching protests and

agitation against the government's policies and programmes detrimental to the interests of the workers. They have been involving themselves in the settlement of industrial disputes having a wide coverage and pressuring the employers to concede to the demands of workers with industry wide and even country wide strikes at intervals. In general, the strikes launched against the government's new economic and industrial policies.

The measures for strengthening trade unionism in the country include: putting union-rivalry and factionalism to an end, dedicated leadership enlargement of the base of union organization, strengthening the 'check-off' system, enactment of a comprehensive trade union and industrial relations legislation.

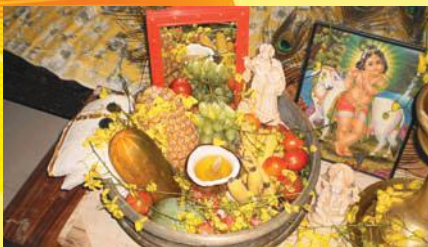
Although the trade unions in the country have been launching protests, agitations and even strikes and bandhs against the government against its anti-labour policies and programmes and against employers in industrial disputes, they have also been actively participating in the tripartite bodies at various levels. In both non-statutory and statutory bodies, the trade union representatives try to resolve labour issues along with the representatives of government and employers.

Yours Comradely



R Sekaran
Secretary General

AIBOA WISHES A HAPPY



Tamil Puthandu



Vishu



Baisakhi



Bihu



Pohela Boishakh

Global Uncertainties, India's Growth Prospects

Context: On February 28, 2022, the National Statistical Office (NSO) released India's GDP data for Q3 of 2021-22 along with Second Advance Estimates (SAE) for 2021-22.

What has been the growth performance of Indian economy?

- In the COVID-19 year of 2020-21, both real GDP and GVA contracted by minus 6.6% and minus 4.8%, respectively.
- The NSO's SAE show that real GDP and GVA **growth are estimated to recover** to 8.9% and 8.3%, respectively, in 2021-22.
- Despite this improvement, the **magnitude of real GDP** at Rs.147.7 lakh crore in 2021-22 is only marginally higher than the corresponding level of Rs.145.2 lakh crore in 2019-20.

Revival of demand has been slow

- The growth of **consumption demand** measured by private final consumption expenditure (PFCE) in 2021-22 over 2019-20 is only 1.2%
- The growth of **investment demand** measured by gross fixed capital formation (GFCF) in 2021-22 over 2019-20 is only 2.6%
- Growth in the **construction sector** in 2021-22 was at only 1.9% over 2019-20.
- Assuming **some base effects** to continue in the first two quarters, the annual growth in 2022-23 may not be more than 7%.

What are the challenges for Indian Economy in coming days?

- **Rise in crude oil prices** due to geopolitical conflict in Ukraine. It is estimated that an increase of U.S.\$10/ barrel there is reduction in real GDP growth by 0.27% and an increase in CPI inflation by 0.40%. As a result the growth estimates will be brought down to 6.3% for 2022-23 (with CPI inflation of 6%)
- Alongside, there would be increase in government expenditures related to **petroleum and fertilizer subsidies** as rising prices will put pressure on government to offer reliefs in forms of reduced tax or increased subsidy.

- Other economic challenges emanating from global uncertainties may include a **worsening of the current account balance** due to higher import bills with a depreciating rupee.

A study by the RBI in 2019 had estimated an increase in the current account deficit (CAD) following a U.S.\$10/ bbl. increase in global crude price, to be nearly 0.4% points of GDP. As a result, the estimate of CAD at 1.9% of GDP for 2022-23 may have to be revised upwards to 2.9%.

- Sectors that draw heavily on petroleum products, such as fertilizers, iron and steel foundries, transportation, construction and coal, would be adversely affected.
- Due to the discontinuation of transactions through SWIFT, there would be some **disruption in trade** to and from Russia and Ukraine.
- There would also be some adverse effects with regard to **financial flows**. Net foreign portfolio investment (FPI) outflows during October to December 2021 increased to U.S.\$6.3 billion. Net foreign direct investment (FDI) inflows have also been falling during this period although they have remained positive.
- As developed countries are being forced to raise their interest rates (to contain their own inflationary pressures) there is increased outflow of U.S. dollars thus putting pressures on RBI to raise its policy rate.

Way Ahead

- Policymakers may have to exercise a critical choice regarding who bears the burden of higher prices of petroleum products in India among
 - ❑ Consumers (increased cost of fuel & inflation)
 - ❑ industrial users (increased input cost)
 - ❑ oil marketing companies (reduced profits)
 - ❑ Government (reduced revenues & increased subsidy burden)
- If growth is to be revived, maximum attention should be paid to supporting consumption growth and reducing the cost of industrial inputs with a view to improving capacity utilisation.

HDFC Ltd – HDFC Bank Merger

Context: Mortgage lender (housing finance) HDFC Ltd. and India's largest private sector bank HDFC Bank has announced a mega merger.

- The amalgamation will create a financial behemoth that is expected to better tap the rising demand for credit.

What are the terms of the merger?

- The two companies have announced that their respective boards have approved the amalgamation.
- Subsequently, the merger has to go through a series of regulatory approvals.
- It also has to get approval from shareholders of both companies.
- It is an all-share deal, so there's no cash transaction involved.
- The terms of the share swap are such that shareholders of HDFC Ltd. will receive 42 shares of HDFC Bank for every 25 shares they hold in HDFC Ltd.
- Post-merger HDFC Ltd. will no longer be a separate mortgage lender, it will get folded into the bank.
- The bank, which is the offspring of HDFC Ltd. and the older legacy entity, is the one which is acquiring the mortgage lender.
- With bank's acquisition of the mortgage lender, it also acquires all its subsidiaries, which includes a general insurance company, a life insurance company, and an asset management company.
- As both HDFC Ltd. and HDFC Bank have similar conservative lending culture & are customer-friendly, culturally, there wouldn't be a big challenge with integration.
- The integration part of it would only be a matter of ensuring that everything is seamless and smooth, getting the books mapped on to each other, the IT systems merging with each other and so on.

What happens to existing customers and employees?

- As far as customers are concerned, HDFC Ltd.'s customers will become the bank's customers as well.
- As for employees, HDFC Bank is planning to absorb and retain all the employees.
- Neither of the entities are very heavy on employee numbers and have been fairly conservative in their employee sizes.

What is the rationale for it?

- In recent years, the evolution of the regulatory framework for the NBFC (non-banking financial company) industry has been gradually moving closer, to harmonise with the banking sector's regulatory framework.
- Earlier, NBFCs had a fairly different and a far more loose sort of framework for lending and deposits. This led to issues with some NBFCs struggling and going under or being taken over by others.
- The Reserve Bank of India has over the years been tightening the regulatory structures for the NBFC industry.
- Therefore, a large NBFC like HDFC Ltd. Merging with a bank makes sense because the banks are much more tightly regulated and have far more oversight of the RBI.
- As Basel III norms for capital adequacy are in place, the NPA (non-performing asset) book is very closely monitored. Even from a regulatory perspective, the RBI might to see this merger going through because it wants NBFCs to be tightly regulated.

What is in it for HDFC Ltd. and HDFC Bank?

- Post-merger, the mortgage lender, HDFC Ltd., gets access to HDFC Bank's CASA (current and savings accounts) deposits, which are lower cost funds.
- For the mortgage lending business, the capital cost will come down. As the capital cost comes down, automatically it will have the ability to lend at a finer rate in a highly competitive mortgage market.
- For HDFC Bank, every home loan customer can be tapped to become a bank customer.
- For HDFC Bank, it's about getting access to a large base of customers for cross-selling purposes. For HDFC Ltd., or the mortgage lending business, it's primarily about the lower cost of capital.

Does a larger balance sheet help in terms of the NPA situation?

- As far as HDFC Bank is concerned, bad loans are not a major pressure point because it has been a conservative lender compared to competitors. They have always shied away from big ticket lending to corporates. Most of their lending is to retail borrowers.
- As for HDFC Ltd., there might have been some pressure on home loans during the pandemic but based on what they have disclosed so far, it is not a major pressure point either. Also, the merger with the bank sort of helps alleviate any upcoming pressure.

Will the lending pattern change?

- Infrastructure lending has been a serious problem in India.
- With the government making it clear that there is need for funding the infrastructure segment, we will have to wait and see whether the merged entity has the expertise to lend to infrastructure projects, which is a risky proposition.
- They do have a large volume of funds, and if they see specific opportunities with good entrepreneurs and good government projects, they may go for it.

What will be the impact of this deal?

- It's possible that we might see more NBFCs seeking to merge with banks. There is already talk of the number of banks coming down.
- So in some ways, HDFC Bank's merger with HDFC Ltd. may be a precursor to what is going to happen in the state-run banking space, where the government has said it is going to reduce the number of public sector banks.

WEDDING BELLS

Selvi **R Kaavya, B. Tech.,**
(D/o. Com. K Ravichandran, Senior Manager, Indian Bank)
Married to
Selvan **V Prasanth, B.E., PGDBA**
At Chennai on 04 03 22

Selvan **B Santhosh, M. Eng.,**
(S/o, Com. A Balakrishnan, Indian Bank, Thousand Lights)
Married to
Selvi **E. Vijayalakshmi, M.S.,**
At Chennai on 06 03 22

Selvi **A Suganthi, B.E., M.B.A.,**
(Manager, Indian Bank, CMDA)
Married to
Selvan **P Sridharan., B.E.,**
At Mailam on 06 03 22

Selvan **K Yogesh Khanna, A.C.A.,**
(S/o Com. B Kumaran, Senior Manager, Indian Bank)
Married to
Selvi **M Soundariya, B.E.,**
At Kumbakonam on 06 03 22

Selvan **B Vinothkumar, M.Tech**
Deputy Branch Manager, Union Bank of India
(S/o. Com. M Balaiah, Asst General Manager(Retd))
Married to
Selvi **S P Anitha, B.E.,**
Asst Manager, Union Bank of India
At Trichy on 14 03 22

Selvan **T Balasubramanian., B.Sc., (Agri)**
(Senior Manager, Indian Bank, Mannargudi)
Married to
Selvi **M Swarna, B.E.,**
At Mannargudi on 16 03 22

AIBOA Wishes a Very Happy Married Life to the Newly Wedded Couple.



Retirements

Sl.No.	NAME	DESIGNATION	BRANCH
1.	COM.AVAYA KUMAR MOHAPATRA	FIELD GENERAL MANAGER	FGMO HYDERABAD
2.	COM. SUNIL KUMAR SINGH	DY. GEN MANAGER	IC PATNA
3.	COM. AMAR CHANDRA DAS	DEPUTY ZONAL MANAGER	ZONAL OFFICE:SILIGURI
4.	COM. BALASUBRAMANIAN N	CHIEF MANAGER	CO: COMPLIANCE DEPT
5.	COM. HARIHARAN S	CHIEF MANAGER	ZONAL OFFICE:CHENNAI (NORTH)
6.	COM. VENKATASUBRAMANIAN V	CHIEF MANAGER	MAPC CHENNAI SOUTH
7.	COM. ARASU M	CHIEF MANAGER	I M A G E
8.	COM. THIRUNAVARRASU P R	CHIEF MANAGER	CO: BANKING OPERATIONS DE
9.	COM. ARUNA KUMAR DHAL	CHIEF MANAGER	FGMO BHUBANESHWAR
10.	COM. SATYASESHU D	C.M.(B.M.)	HIMAYATNAGAR
11.	COM. JOHN THEODUSIUS B	L D M	ZONAL OFFICE:VELLORE
12.	COM. S SWAMINATHAN	C.M.(A.B.M)	MAPC CHENNAI NORTH
13.	COM. VIJAYA RAO G	SENIOR MANAGER	MICROSATE (VIJAYAWADA)
14.	COM. BAMINI S	S.M (A.B.M)	PORUR
15.	COM. RAVIKANT T VEDARE	S.M (B.M)	GOREGAON
16.	COM. UDHAYAKUMAR M M	SENIOR MANAGER	BODINAYACKANUR
17.	COM. ASISAN EKKA	S.M (A.B.M)	SAMBALPUR
18.	COM. UMA MAHESWARI C	S.M (A.B.M)	LAWSPET
19.	COM. SUNDARAM J	S.M (A.B.M)	SALEM FORT
20.	COM. JANAKIRAMAN A	SENIOR MANAGER	CO: ACCOUNTS DEPT
21.	COM. HARJIT LAL	S.M (A.B.M)	HOSHIARPUR
22.	COM. JITENDRA PRASAD YADAV	SENIOR MANAGER	MUZAFFARPUR MAIN
23.	COM. RAJNISH KUMAR SHARMA	SENIOR MANAGER	MEERUT CANTONMENT
24.	COM. H R SINGHA MAHAPATRA	SENIOR MANAGER	MAPC HOWRAH
25.	COM. SANTOSH KUMAR	SENIOR MANAGER	MIRZAPUR LBC
26.	COM. A MARIYAPPAN	SENIOR MANAGER	CO: BANKING OPERATIONS DEPT
27.	COM. MOHAN P	MANAGER (A.B.M)	CHINNAMANUR
28.	COM. ABHIJIT CHATTOPADHYAY	MANAGER	SSI FINANCE KOLKATA
29.	COM. SUNIL KUMAR BISWAS	MANAGER	DAMC KOLKATA
30.	COM. ROBERT EKKA	MANAGER	BILASPUR
31.	COM. ARUP KUMAR DATTA	MANAGER	MUKUL BOSE RD
32.	COM. ALAMELU E	MANAGER	ZONAL OFFICE POONAMALLEE
33.	COM. GEETHA B	ASST.MGR	SRCM
34.	COM. SHANTHI A M	ASST.MGR	DR. ALAGAPPA ROAD
35.	COM. GNANA SEKARAN D	ASST.MGR	ALANDUR
36.	COM. HARISH CHANDRA JOSHI	ASST.MGR	FGMO LUCKNOW
37.	COM. SANDWIP KUMAR MAZUMDAR	ASST.MGR	ZONAL OFFICE CHINSURAH
38.	COM. RAGHAVENDRA MISHRA	ASST.MGR	SAMPOORNAND SANSKRIT UNIV

AIIBOA Wishes the above Comrades a Very Happy, Healthy and Peaceful Retired Life.

IMPORTANT CIRCULARS DURING THE MONTH OF MARCH 2022

Date of Issue	Circular No.	Subject
02 03 22	ADV-309	"Consolidated Interest Rate Circular for MCLR & Repo Linked Products"
02 03 22	ADMIN-150	"LFAR OBSERVATIONS IN STATUTORY BRANCH AUDIT FOR THE YEAR 2021-22"
03 03 22	CRA -93	"Credit Life Insurance Coverage with M/s. Aditya Birla Sun life Insurance Revision of Coverage Norms & Criteria for Home Loan and Clean Loan Borrowers"
03 03 22	CRA -94	"Credit Life Insurance Coverage with M/s. Kotak Life Insurance - Revision of Coverage Norms & Criteria for Home Loan and Education Loan Borrowers"
03 03 22	CRA-95	"OPENING OF DEMAT ACCOUNTS AT BRANCHES THROUGH INHOUSEPORTAL"
04 03 22	CRA-96	OPENING OF PPF ACCOUNT THROUGH TAB BANKING
07 03 22	DEP-41	"Launching of New Fixed Maturity Domestic Term Deposit Product "IND Mahila Shakti – 555 Days""
09 03 22	ADV-317	"Submission of Interest Subvention Claim and Credit Guarantee Fees (CGTMSE) Reimbursement Certificate under IND- KRISHI INFRA FUND Scheme (AIF)"
10 03 22	ADV 318	"Reward and Recognition Scheme under Physical Possession of immovable properties and successful sale under the SARFAESI ACT, 2002."
11 03 22	CRA-97	"Introduction of Indian Bank Corporate Merchant mobile App for QR based Payment acceptance and e-RUPI redemption"
16 03 22	CRA-98	"Change of Pension Fund and Asset Allocation by NPS subscribers"
16 03 22	CRA-99	"Revision of Service Charges for POPs under NPS(All citizen and Corporate)"
21 03 22	ADV-322	"SOP - Release of Title Deeds/Jewels deposited in Loan Accounts of deceased Borrower/mortgager to the Legal Heirs"
21 03 22	ADMIN-151	"APPOINTMENT OF INTERNAL OMBUDSMAN FOR THE BANK"
21 03 22	DEP-43	Revision of Interest Rate on Savings Bank Deposits
22 03 22	CRA-100	"Guidelines to branches on issue of Personalized Cheque Books"
25 03 22	ADMIN-153	"WEARING OF BANK IDENTITY CARD BY STAFF MEMBERS WHILE ON DUTY"
29 03 22	DEP-44	Additional Branches permitted for acceptance of Bulk Deposit
30 03 22	ADMIN-156	"Discontinuation of existing process of capturing Customer Risk data/Domestic Risk Profile data in CBS during onboarding/Re-KYC"
30 03 22	ADMIN-157	"Banks Policy on Government Business for the year 2022-23"
30 03 22	ADMIN-158	"Banks Policy on Safe Deposit Lockers for the year 2022-23"
30 03 22	ADMIN-159	"Banks Policy on Business Continuity Planning & Disaster Recovery Management for the year 2022-23"
30 03 22	ADMIN-161	"Bank's Policy on 'Documentation' for the year 2022-24"
30 03 22	ADMIN-162	Banks Policy on 'Outsourcing' for the year 2022-23
30 03 22	ADMIN-163	Bank's Policy on 'Cheque Collection (including Foreign currency Cheques) / Frequent Dishonour of Cheques / ECS Mandate' for the year 2022-24
31 03 22	CRA-107	Revision of Interest Rates for Small Savings Schemes
31 03 22	ADV-328	"Continuation of Interest Subvention Scheme for Short Term Loans for Agriculture & Allied Activities availed through KCC for the FY 2021-22"

Non Inclusion of a circular does not reflect on its importance.

Photo Gallery



Shri. Shenoy Vishwanath V,
Executive Director is felicitated on
his superannuation on 31 03 22.

Certificate awarded to the winners of the contest conducted on the occasion of Women's Day Celebration



IBOA (Odissa) unit 1st Triennial Conference held at Bhubaneshwar on 3rd March 2022

