



Sky is not the limit, we cover it...

Vol - XXIV

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AIRRBOF News Letter



**The Voice of All India
RRB Officers' Federation**

SILIGURI

No. 02

EDITORIAL

STAYING THE COURSE

The Union Budget 2017-18 comes across as remarkably restrained both in tone and substance, given the imperative of dealing with the effects of demonetisation and the context of five States going to the polls. It is a bits-and-pieces exercise, with attention to detail. While at its core the Budget pursues its stated goals, it has not set aside the larger idea of furthering reforms. Hence, there is an overt (and arguably overdone) commitment to fiscal consolidation; a focus on the outcomes of public spending rather than budgetary allocations per se; and an effort to channelise capital expenditure to critical areas such as transport, which will bring benefits to the economy all round. In view of the impact of demonetisation, the Budget has given tax breaks to promote digital transactions, affordable housing, and small and medium enterprises. That this is a subtly political budget cannot be denied. This is not just reflected in the farmer-friendly rhetoric (a staple of all budgets, not necessarily matched by outlays) but also in the proposal to account for all poll donations above Rs. 2,000. While the move may merely push anonymous donations into smaller denominations, the Government must be commended for making a start. It appears that political reasons — a perception that the Government may be seen as pro-rich — stayed the finance minister's hand in cutting corporate tax rates to 25 per cent. While correctly observing that the burden of direct taxes is disproportionately borne by the salaried class, the Budget has done well to reward those in the lowest rung, without, however, being unduly harsh on the higher-income slabs. In doing so, it seems to have appreciated that higher rates may prove counter-productive by encouraging evasion.

It must be said to the credit of the finance minister and his drafting team that they haven't made unrealistic revenue and GDP projections. A fiscal deficit target of 3.2 per cent of the GDP for 2017-18 (or Rs. 5.43 lakh crore on a national income of Rs. 170 lakh crore at current prices) is based on a nominal growth assumption of just over 13 per cent, against about 12 per cent this year. This amounts to a tacit admission, also made in the *Economic Survey*, that there is uncertainty over growth next year, and not merely because of demonetisation. Hence, gross tax revenues are projected to rise by about 12 per cent over this year's revised estimates, implying a realistic tax buoyancy (tax growth as a ratio of nominal GDP growth) of less than one. This budget has wisely not overestimated 'compliance', which has been a failing of many recent budgets — this is despite the fact that demonetisation has expanded the tax base and demonstrated its effects in terms of higher tax collections. However, the revenue estimates have not accounted for compensation to States on account of GST.

The Budget is, however, unduly tight-fisted on expenditure, coinciding with the *Survey*'s almost startling emphasis on fiscal consolidation. As against an expenditure increase of Rs. 2.23 lakh crore in 2016-17 over the previous year, the Budget allows for an increase of just Rs. 1.32 lakh crore in 2017-18 on a higher GDP base. Hence, public expenditure as a percentage of GDP is set to fall by over a percentage point to 12.3 per cent in 2017-18. With

All India RRB Officers' Federation

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The area of Ladakh Dist., Kargil Dist. and Gilgit (now in Pakistan) form the Ladakh Region, once administered by King of Kashmir, Raja Hari Singh under the tutelage of the British Crown. With the independence and the proxy war launched by Pakistan out of area of Gilgit and Baltistan under undivided J & K, Baltistan was annexed by Pakistan. The Dist. of Ladakh & Kargil now forms Ladakh Region. Area is served by J & K Gramin Bank sponsored by J & K Bank which is a old generation Private Bank. The area was never visited by a leader of Apex RRB Trade Union other than our General Secretary. On the occasion of festival of Loshar observed by Ladakhi people to celebrate advent of the New Year, the comrades of J & K Gramin Bank invited our General Secretary to visit Ladakh & Kargil.

During the two day stay of our General Secretary & in his interaction with comrades he saluted them for functioning in the branches located at areas of sparse oxygen situated at attitude of 11500 – 18000 ft. doing business as the Banking sentinel. Visit was made to the branches of J & K Gramin Bank by General Secretary accompanied by the leadership of J & K Gramin Bank Officers' Association. He addressed get together of officers in the afternoon of 30th & 31st Dec. 2016 at Leh and Kargil respectively while temperature was much below the freezing level. The new dawn of 2017 witnessed General Secretary bid adieu to the comrades of J & K Gramin Bank who thronged to the Airport and he offered his gratitude and best wishes to the comrades.

The good bye to the last year and welcoming of year 2017 remained highly meaningful to the RRB Officers working in the difficult terrain of Ladakh Region.

Circular # 02:2017

4th January 2017

W.P. (C) NO.39288/2012 BEFORE THE HON'BLE SUPREME COURT

Our Pension Case was likely to be listed for hearing on 10th Jan. 2017. The scenario has changed with the retirement of Justice Thakur C.J. on 3rd Jan. and assumption of office by Shri (Justice) J.S. Kehar as new Chief Justice of India on 4th Jan. 2017.

With the assumption of office of new CJI the benches shall be reconstituted and our case is also likely to be heard by other court.

Govt. of India in the meantime started supplying the copy of the Affidavit submitted by them in 2015 which, inter alia, contain the Report of the Pension Committee. The service to all the parties is yet to be complete. The Advocate on Record of our Federation had received a copy. In order to devise our strategy and finalise our approach Com. General Secretary, Bhattacharjee and Com. Vice President, Pal came to New Delhi. Detailed consultation was made with our Advocates on 3rd Jan. 2017. AIRRBOF is the first respondent party of the SLP (c) to submit their counter affidavit to the affidavit of Union of India. The Report of the Pension Committee now being supplied by Union of India vindicated our stand. Our approach in the counter affidavit listed as IA No. 9/2016 found echo in the Report of the Pension Committee. We have almost devised our strategy before the Hon'ble Supreme Court and shall be represented by battery of Senior Advocates.

The end of the week and the next few days have to be watched carefully to know when our case is going to be finally listed and to be heard by which bench of the Hon'ble Supreme Court. AIRRBOF shall leave no stone unturned to clinch our goal of Pension Parity.



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3. General Secretary – Shri Purna Chandra Panda
4. Organising Secretary – Shri Prasana Kr. Behera
5. Joint General Secretaries –
- i) Shri Dhuba Chandra Satpathy
 - ii) Shri Nilamani Mandal
 - iii) Smt. Sushree Swagatika
 - iv) Shri Sangram Keshari Satpathy
6. Regional Secretaries –
- i) Shri Bishnu Prasad Kar
 - ii) Shri Sanjat Kr. Arida
 - iii) Shri Jayant Kr. Biswal
 - iv) Shri Haribandhu Mishra
 - v) Shri Mahendra Kr. Karan
 - vi) Shri Saroj Kr. Nayak
 - vii) Shri Dilip Kr. Mohanty
 - viii) Shri Sarat Ch. Das
 - ix) Shri B.B. Pradhan
7. Treasurer – Shri Lambodar Satpathy

The office bearers shall nominate 25 E.C. Members to complete the team. AIRRBOF extends congratulations to the newly elected office bearers and pledge to extend all help & support.

Circular # 04:2017

18th January 2017

NEWS ROUND UP

Congratulations to our comrades of Pragathi Krishna Grameena Bank Adhikarigala Sangthane (PKGBAS) and Com. G.V. Manimaran, General Secretary, Canara Bank Officers' Association and Chairman, AIRRBOF with whose intervention, promotion of officers from Scale IV to Scale V took place in Pragathi Krishna Grameena Bank, one of the premier RRBs in the country. Five officers were promoted first time ever in the history of RRBs from Scale IV to Scale V and they shall head five Regions, out of 10 Regions of the Bank as some of the Branch Managers also are Chief Managers. We also congratulate Shri G. Krishna Herle, Shri P.C. Gangadharappa, Shri Srinivas Mahuli, Shri Iranna C. Karjagi and Shri G.R. Manjunath who had become AGMs. Other RRBs should emulate the example and arrange for promotions of officers to Scale V.

2. Due to reconstitution of Benches after assuming the office of Chief Justice by Shri (Justice) J.S. Kehar the listing of SLP (c) 39288/12 is being delayed. We are following up with our Advocate. AIRRBOF already submitted a rejoinder affidavit after affidavit of Union of India in 2015 which was listed as IA No. 9/2016 while reiterating our earlier stand we are in the process of submitting 2nd rejoinder affidavit shortly.

3. The 11th Triennial Conference of AIBOC is due to be held at Jaipur from 17th to 19th March, 2017. Affiliates are once again requested to send the nomination of name of delegate & observer, if not already done, latest by 31st Jan. 2017. Nominations received at our Central Office by 31.01.2017 shall be sent to AIBOC Central Office immediately thereafter.

4. The General Body Meeting of Malwa Jhabua Gramin Bank Officers' Association shall be held at Dewas on Sunday, the 29th Jan. 2017. The Conference shall be attended by President and General Secretary of AIRRBOF.

All India RRB Officers' Federation

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Circular # 05:2017

30th January 2017

**4TH TRIENNIAL GENERAL BODY MEETING
OF NARMADA JHABUA GRAMIN BANK OFFICERS'
ORGANISATION, INDORE HELD AT DEWAS ON 29TH JAN. 2017**

The 4th Triennial Conference of Narmada Jabua Gramin Bank Officers' Association was held in grand style in the Banquet Hall of Hotel Ramashray Paradise at Dewas, the historic seat of Chamundi Devi. The Banquet Hall was well decorated with festoons and banners. Chairman of the Bank Shri K.V. Raghavendra Ji, Com. R.G. Makhija Ji, President, Com. S.K. Bhattacharjee Ji, General Secretary respectively of AIRRBOF along with the principal office bearers of the Organisation was ushered in the dias by the compare of the programme, Smt. Ayushi Datt.

The Conference was formally inaugurated by lighting of traditional lamp and garlanding of Saraswati Devi by the dignitaries on the dias. The welcome address was rendered by Com. R.K. Pandey, President followed by the presentation of floral bouquet. The report by the General Secretary, Com. B.L. Khandelwal was presented. Felicitations of guests was done by Com. D.K. Pandey, Regional Manager, NJGB, Dewas Region.

Com. R.G. Makhija, President of our Federation in his spirited address shared with the audience the developments in the Banking Industry. He lauded the performance of Public Sector Banks and the role of members of AIBOC/AIRRBOF in promoting all the welfare schemes of the Govt. He decried the role of Management and Beaucrats to paint the Bank officers in poor light.

Com. S.K. Bhattacharjee, General Secretary of the Federation delivered highly informative, development oriented and morale boosting speech narrating all the contemporary issues. He put lot of emphasis on organisation building and membership development. He shared all the details of the developments in regard to Pension Payment and highlighted the approach of AIRRBOF on the issues. He came down heavily on certain Trade Unions for criticising AIRRBOF in the apprehension that the Supreme Court shall accept the affidavit of our Federation. He called for development of the Bank and exuded confidence that NJGB shall assume prime position with the efforts of the officer members. Com. Bhattacharjee assured the gathering about successful culmination of our fight for Pension Parity.

Shri K.V. Raghavendra, Chairman, NJGB appreciated the performance of the officers working in the Bank and role of AIBOC/AIRRBOF in highlighting the issues concerning RRBs. He called for higher level of dedication of officers to attain new heights of development.

The open session was concluded with formal vote of thanks by Com. J.C. Dabi. The open session was ably compared by Smt. Ayushi Datt.

In the afternoon, the delegate session was conducted. The report of the General Secretary was deliberated upon and thereafter passed unanimously. The Statement of Account was passed unanimously after its presentation. Certain resolution like revision of membership fee, creation of new post of office bearers, increase in quantum of welfare fund were placed and passed unanimously. Com. R.G. Makhija, President of our Federation conducted the election to the new team of office bearers. An unanimous Panel was placed and properly seconded. Thereafter, Election Officer, Com. Makhija declared the team led by the following leaders against their positions mentioned alongside elected unopposed:

Com. M.Y. Shintre, Chairman
Com. Rajinda Pandey, Vice-Chairman
Com. K.L. Ask, President
Com. B.L. Khandelwal, General Secretary
Com. G. Saxena, Treasurer

With new team of office bearers called to the dias, Com. Khandelwal thanked everybody and the participants dispersed with raising of slogans of AIBOC ZINDABAD & AIRRBOF ZINDABAD.

AIRRBOF wishes the new team of office bearers of NJGB Officers' Organisation, Indore all the best and pledges full help & support.

PRESS CORNER:

WAGE REVISION: NABARD STAFF PLAN MARCH TO PARLIAMENT

Employees of the National Bank for Agriculture and Rural Development (Nabard) are planning a march to Parliament and hold a spate of strikes during the Budget session of Parliament over the pending wage revision issue.

The relevant file has been awaiting clearance by the Finance Ministry even after six months of signing a draft agreement on July 5, 2016, according to the All India Nabard Employees Association (AINBEA).

On December 7, Tapan Sen, Rajya Sabha MP and veteran CPI (M) leader, had sent a letter to Finance Minister Arun Jaitley seeking his urgent intervention in the matter. He reminded the Minister that the agreement to the effect entered into between the Nabard management and AINBEA had been approved and cleared by the Finance Ministry. It was after prolonged negotiations that the Seventh Bipartite agreement was ultimately signed by the management and the AINBEA.

The document was rushed to the Ministry for approval, to be followed by its implementation, Sen said. But the implementation has been delayed inordinately 'for no substantive reason'.

"This is obviously creating unrest among Nabard employees who play an important role in keeping the rural credit system and machinery operational in the country."

Sen requested Jaitley to appreciate the urgency in the matter and intervene so that the wage revision gets expeditious clearance and is taken up for implementation.

Meanwhile, the AINBEA welcomed the recruitment of 85 men and women as workmen staff into Nabard after a gap of 16 years.

Source – The Hindu Business Line, 10th January 2017

EMPLOYEE UNIONS CONTEST PROPOSAL FOR PERFORMANCE LINKED PAY

Bank employees unions have expressed their stiff opposition to any move to introduce performance linked incentive for public sector banks proposed by Banks Board Bureau (BBB) chief Vinod Rai.

Bank employees unions have expressed their stiff opposition to any move to introduce performance linked incentive for public sector banks proposed by Banks Board Bureau (BBB) chief Vinod Rai. This will be a prelude to introduce differential pay as also the concept of Cost to Company at a later stage, All India Bank Officers' Confederation (AIBOC) said in a statement.

"Setting performance parameters at various levels of banking functions does not fit well into the banking environment as there are multiple functions for a few and specialist functions for another lot," AIBOC General Secretary Harvinder Singh said.

Such parameters may not work well with the functionaries in controlling offices who undertake jobs of involving and implementing policies and guidelines at the back office, he said. The unilateral introduction of such practices are aimed at bypassing the bipartite machinery and casting employees against their own colleagues, he added.

Earlier this month, BBB has said it is thinking of the fact that the compensation package across the board of public sector banks needs to be improved.

"Maybe, we are not able to do much with the fixed part of compensation package but variable part we are hopeful that in the next financial year we will be able to introduce a far more attractive package which do have bonuses, ESOPs and other performance linked incentives as part of the package," Rai had said.

National Organisation of Bank Workers vice president Ashwini Rana said there are certain jobs in banks whose tangible gain cannot be measured especially assisting staff.

Therefore, he introduction of performance linked incentive will lead to inequality, favouritism and discrimination, Rana said, adding it may turn counter productive.

Instead, the AIBOC has demanded a better and satisfactory wage package which would be superior to 7th Pay Commission through the bipartite machinery already in force, in the best interests of the banks and the economy.

Source – The Hindu Business Line, 11th January 2017

GOVT MEDDLING WITH RBI'S AUTONOMY: UNION

The United Forum of Reserve Bank Officers and Employees has termed as unfortunate the reported decision of the Centre to depute a Joint Secretary to manage cash operations at the Reserve Bank of India.

"We take strong exception to this since it impinges on the RBI's autonomy and its statutory and operational jurisdiction," forum leaders Samir Ghosh, SV Mahadik, CM Paulsil and RN Vatsa said.

The RBI Act 1934 stipulates that the central bank has been constituted to 'regulate the issue of bank notes and the keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage'.

From 1935, for more than eight decades, the RBI has been managing the currency system of the country seamlessly and fulfilling its statutory responsibility. As in-charge of currency management of this vast country of 1.25 billion with huge needs of currency, it has developed and technologically perfected the system.

"We want to reiterate that the RBI is fully capable of coordinating its currency chest operations. We do not need assistance from anywhere," the forum leaders said.

Source – The Hindu Business Line, 14th January 2017

AS DIGITAL BANKING GAINS CURRENCY, MORE USES FOR ATMS IN THE WORKS

To ensure continued relevance of ATMs in the context of mobile-based digital banking transactions gaining traction, banks and white-label ATM operators may look at newer uses for these machines, including connecting them to the Unified Payments Interface (UPI) platform to send and receive payments and also enabling them for a wider range of utility bill payments.

The government's thrust on more digital and less cash transactions in the economy has prompted members of the Confederation of ATM Industry (CATMi) to put their thinking caps on in view of the changing market dynamics and consumer preferences towards mobile banking.

They want to figure out what more an ATM can do besides dispensing cash, and providing facilities such as balance enquiry, mini-statement, card-to-card transfer, and mobile top-up. According to RBI data, as at November-end 2016, there were 2,20,166 ATMs in the country.

According to K Srinivas, Managing Director, BTI Payments, and Member of CATMi, "At the end of the day if you visualise an ATM as a computer with connectivity, there are a bunch of things that you can do. Now in all the places where the network connectivity is not good, can we look at ATMs actually enabling UPI transactions?"

"For example, today there is a feature called card-to-card transfer on ATMs. So, if I know your card number, I can insert my debit card in the ATM, it debits my card (account) and credits your card (account). So, in a way, UPI is the same without explicitly stating the card numbers – money goes from one virtual payment address (VPA) to another VPA."

While ATMs are currently not connected to UPI, Srinivas felt that this possibility is something that needs to be explored so that ATMs can actually be a part of the ongoing digital revolution in the country.

BTI Payments is in the business of providing ATM deployment and managed services.

CATMi is a trade association representing ATM manufacturing & outsourcing companies, White Label ATM operators, payment services companies, cash replenishment & cash in transit agencies, ATM security services and solutions companies in India.

UPI is a smartphone based payments system that eliminates the need for adding payee details such as bank name, branch, IFSC code and full name of the recipient while making payments and requires only the creation of a VPA to send and receive payments.

“Today ATMs are available 24X7. These are all connected through very small aperture terminals (VSATs), which are dish antennas used to receive and transmit data. So at least bandwidth is not an issue. “Power is by and large not an issue as we have battery backup and those kinds of things.

So, these are things that, I think, the ATM players will need to think through and re-discover and figure out how to be a part of the digital revolution,” said the BTI chief.

Srinivas observed that if ATMs can be hooked to the Bharat Bill Payment System (BBPS), they can be used as a channel for anytime, anywhere, any bill payment facility.

BBPS seeks to integrate bill payments for various utility services and bring interoperability in the bill payments eco-system bringing both banks and non-banks under its fold.

Srinivas, however, admitted that there are certain limitations in the ATMs today because the alphabet facility is not available on the keypad. The ATM keypad is only numeric.

“For example, I can’t enter my name unless it is a touch enabled screen that you create. Those are the sort of things we will need to look at.

“Today the platform (software) on which ATMs run is windows based, many of them are not touch enabled. Maybe, I think, we will need to re-discover ourselves if we can actually touch-enable ATMs and incorporate the ability to enter an alpha. That we will need to obviously work with the original equipment manufacturers to figure out how to enable that,” said the BTI chief.

The ATM manufacturers and service providers are looking at enabling cardless ATM transactions based on Aadhaar number. This unique number helps to authenticate and establish the identity of residents using electronic means.

“Today, you need a debit card to use an ATM. One of the things that we are actually looking at is can I look at Aadhaar-enabled payments. So, instead of inserting your debit card in the ATM and entering your PIN, you enter your Aadhaar number and place your finger on the biometric reader, which in turn is connected to the Unique Identification Authority of India.

“Once the Authority authenticates and establishes your identity, you will get one time password (OTP) on the mobile phone and enter the same in the ATM to complete the transaction. This is a capability which does exist today. The banking system needs to adopt it,” explained Srinivas.

Source – The Hindu Business Line, 24th January 2017

NABARD ALLOWED TO RAISE RS. 20,000 CR FOR CROP LOANS

Hoping to give a boost to the agriculture sector after its decision to demonetise high-value currency, the government on Tuesday allowed the National Bank for Agriculture and Rural Development to raise Rs. 20,000 crore for short-term crop loans to farmers at lower rates.

The funds will be raised by Nabard at the prevailing market rate and will be used for on-lending to cooperative banks at an interest of 4.5 per cent.

“In light of the good monsoon and expectation of increased credit demand and to boost agricultural production, farmers need to be supported through cooperative banks, which purvey credit at their doorstep,” said an official statement.

The Union Cabinet also gave its post-facto approval for the allocation of additional capital of Rs. 2,000 crore to Nabard for this purpose in the Union Budget. Of this, additional capital of Rs. 500 crore will be released this fiscal.

An interest subvention of about 1.8 per cent and Nabard’s administrative cost of 0.2 per cent will also be provided as per the scheme of the Department of Agriculture, Cooperation and Farmers Welfare.

In line with the government’s focus on encouraging cashless payments by farmers, Nabard will also coordinate the conversion of operative Kisan Credit Cards into RuPay or ATM-enabled cards by cooperative banks and regional rural banks.

The Cabinet also gave ex-post facto approval for interest waiver for November and December 2016 for farmers accessing short-term crop loans from cooperative banks.

Nabard will provide additional resources to cooperative banks to extend the interest waiver. “An additional financial liability of Rs. 1,060.50 crore will be required for this purpose,” said the release, adding that the allocated Rs. 15,000 crore for 2016-17 for the Interest Subvention Scheme has already been utilised.

Meanwhile, the Cabinet also approved a new pension scheme for senior citizens that will provide a guaranteed return of 8 per cent for 10 years.

“The Union Cabinet has given its post-facto approval for launching of Varishtha Pension Bima Yojana 2017,” said an official statement, adding that it will be open for subscription for one year from launch.

The scheme will be managed by Life Insurance Corporation of India. It will give subscribers options for monthly, quarterly, half-yearly or annual pension. The differential return would be borne by the Centre as subsidy on an annual basis.

Source – The Hindu Business Line, 25th January 2017

FIPB TO BE ABOLISHED; FURTHER EASING IN FDI POLICY PLANNED

The Foreign Investment Promotion Board (FIPB), which vets and approves foreign direct investment (FDI) proposals not cleared through the automatic route, will be abolished in 2017-18, Finance Minister Arun Jaitley has announced.

“A roadmap for the same (abolition of FIPB) will be announced in the next few months. In the meantime, further liberalisation of the FDI policy is under consideration and necessary announcements will be made in due course,” Jaitley said.

The Finance Minister, however, did not clarify the alternative mechanism for routing FDI proposals in case they did not qualify for automatic clearance. One option, he said, could be the designated Ministries and Departments handling the proposals.

“The concerned ministry dealing with it is one alternative,” Jaitley said. The government would carry out the proposal in the course of the year and all options would be looked at, he said.

There will also be further liberalisation of the FDI policy and necessary announcements will be made in due course, the Finance Minister said in his Budget speech.

“It will be interesting to see the approval mechanism the government will put in place for sectors/areas that currently continue to be under the approval route, such as retail trade, defence and in-kind (non-cash) FDI investments,” said Radhika Jain, Director, Grant Thornton Advisory Private Ltd.

Through two previous tranches of FDI liberalisation, the BJP-led government has already ensured that more than 90 per cent of total FDI inflows are now through the automatic route. The FIPB has also put in place e-filing and online processing of FDI applications. “We have now reached a stage where FIPB can be phased out,” said Jaitley. Finance Ministry officials clarified that existing FDI procedures for defence and sectors that entail national security will be subject to controls.

“The proposal to abolish FIPB is a bold move, expected to reduce M&A (mergers & acquisition) timelines, and create new investment opportunities for foreign investors,” said Mukesh Butani, Managing Partner, BMR Legal.

FDI increased from Rs. 1,07,000 crore in the first half of last year to Rs. 1,45,000 crore in the first half of 2016-17. This marks an increase of 36 per cent, despite a 5 per cent reduction in global FDI inflows, the FM said.

The government allows 100 per cent FDI in most sectors. While FDI up to a certain limit, say 51 per cent or 74 per cent, is permitted through the automatic route in many sectors, for higher FDI it has to be routed through the FIPB. While India has liberalised FDI rules in most sectors, there are some where restrictions remain.

In the defence sector, while the government allows 100 per cent FDI, it is subject to conditions, such as the foreign investor providing access to modern technology.

The single-brand retail sector continues to be weighed down by the condition of compulsory domestic sourcing of 30 per cent of inputs, which could be relaxed for a few years if the investor qualifies as one manufacturing items with cutting-edge technology.

In multi-brand retail, while the policy allows 51 per cent FDI, the government has so far opposed entertaining any new application in the area.

FDI is prohibited in lottery, gambling, atomic energy, , and railway operations.

Source – The Hindu Business Line, 2nd February 2017

DEMONETISATION IRREGULARITIES: 156 SENIOR PSB OFFICIALS SUSPENDED

As many as 156 senior officials of various State-owned banks have been suspended and 41 transferred after they were found involved in irregularities related to demonetisation, Parliament was informed on Friday.

“Certain bank officials have been found involved in irregularities relating to demonetisation. On the basis of prima facie involvement in the irregularities, Public Sector Banks (PSBs) are so far reported to have placed 156 officials under suspension and to have transferred 41 officials,” Finance Minister Arun Jaitley said in the Lok Sabha.

PSBs are also reported to have filed 26 cases with Police/CBI wherever criminal cases are involved, he added.

In respect of private banks, Jaitley said: “Reserve Bank of India has informed that 11 employees have been placed under suspension where bank employees have been found involved in ‘irregular exchange of transaction’ of Specified Bank Note (SBN) during the phase of demonetisation.” The RBI has further informed that the banks have initiated internal investigation and complaints have been filed with police/CBI,” he pointed out.

The RBI had advised the banks to take action to prevent/detect/contain the malpractices or wrongdoing by staff in branches exchange/deposit of SBNs.

In the said circular, banks were also advised to strengthen the internal/concurrent audit process including random visits/scrutinise so as to detect and avoid any malpractice in the exchange/deposit of SBNs in the branches.

Source – The Hindu Business Line, 4th February 2017

MORE PAIN THAN GAIN FOR THE COMMON MAN

‘Shoot for the stars, you’ll at least land among the tree tops’ — that’s quite the story of hope versus reality on personal income tax in Budget 2017. Expectations were running high this time around. Among other things, the wish-list included a sharp increase in the tax exemption and Section 80C investment limits, rationalisation of tax rates, and hike in interest deduction on home loans.

As it turned out, the Finance Minister gave, but little. So, the only big benefit for the individual taxpayer in the Budget was a reduction in the tax rate in the Rs. 2.5 lakh to Rs. 5 lakh income slab — from 10 per cent to 5 per cent. But then, the tax rebate benefit was cut — from Rs. 5,000 for those with incomes up to Rs. 5 lakh to Rs. 2,500 for those with incomes up to Rs. 3.5 lakh.

Net-net, with these changes, there will be no tax for those with income up to Rs. 3 lakh. The outgo can reduce by up to half for others with income up to Rs. 5 lakh, and for those with higher income, the tax reduction is Rs. 12,875 (including cess). Incidentally, these changes have higher benefits for those less than 60 years than for senior citizens (60-80 years).

That’s because there has been no change in the Budget in the tax-exempt income limits, higher for senior citizens (Rs. 3 lakh) compared to those under 60 (Rs. 2.5 lakh). Super-senior citizens (above 80 years) will not see tax reduction, as their tax-exempt income limit is Rs. 5 lakh.

Besides, with the Finance Minister playing Robinhood, there’s no cheer, rather there’s pain, if your annual taxable income is between Rs. 50 lakh and Rs. 1 crore; the Budget has introduced a surcharge of 10 per cent of tax payable on this category. If it’s any consolation, those with taxable income exceeding Rs. 1 crore will continue paying the higher surcharge of 15 per cent.

BY JUNE, GOVT AIMS TO LINK 5.58 LAKH RATION SHOPS WITH AADHAAR

The government said it would make 5.58 lakh ration shops Aadhaar-enabled by June 30, adding that it would not force it on the people and request those who chose to stay out, to come and join the platform. This follows a Food Ministry notification making Aadhaar mandatory for food subsidies from February 8, and asking those not enrolled to do so by June 30.

Speaking to mediapersons, Electronics and IT Minister Ravi Shankar Prasad said his Ministry was in talks with the Food and Consumer Affairs Ministry to work together toward meeting the goal.

Prasad said all ration shops in Gujarat, Andhra Pradesh and Rajasthan have already been made Aadhaar-enabled. "In Gujarat, even payment in ration shops is being made using thumb impression linked to Aadhaar," he added.

The Minister said the government was working on new rules for digital wallets and the draft would soon be placed in the public domain for comments. "Our Act will be framed under the IT Act. It will take care of consumer interests and cyber security," he said.

Citing from this year's Budget proposals, Prasad said the government had approved Rs. 681 crore as seed capital for building a total corpus of over Rs. 6,800 crore under the electronic development fund (EDF) meant to support entrepreneurship and innovation in electronics and IT.

Prasad said investments in electronic manufacturing, which were just Rs. 11,000 crore in June 2014, had increased to Rs. 1,27,880 crore and from six crore mobile handsets in 2014-15, India's mobile manufacturing capacity had increased to 11 crore in 2015-16.

Electronics production in the country had also increased across segments with the value of LED products registering a rise of 65 per cent to Rs. 3,590 crore in 2015-16 from Rs. 2,172 crore in 2014-15.

"The value of mobile handsets produced in India has increased by 185 per cent to Rs. 54,000 crore in 2015-16 from Rs. 18,900 crore in 2014-15. Next year, it is going to cross Rs. 90,000 crore," he added.

Source – The Hindu Business Line, 11th February 2017



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