

Government Eyeing RBI Capital Reserve to Grapple it

[The article analyses how the Reserve Fund of RBI has been a target recently by the Government of India : if the Government succeeds what are the implications for RBI and in extension for the country's economy, why Government's pressurization of RBI for funds must be fought by all concerned. RBI has to be saved from the tentacles of the Government, which is for the country's good. This article has to be carefully read, the issue has to be widely explained and campaigned; the onslaught has to be thwarted.

Editorial Team - Voice]

In an earlier issue (April 2017) VOICE drew readers' attention to Government's move to suck RBI Reserve built up over years and decades to reduce Government's liability and fund Government's obligations elsewhere. The article quoted from the Government of India Economic Survey 2015-16 and 2016-17 wherein the Government's views and intentions have been articulated without any equivocation that Government do not appreciate RBI keeping reserves, which, according to them, is more than "what is necessary" and that the "excess capital of RBI" (Survey, 2016-17) should be transferred to the Government of India forthwith.

Since then Government's demand has been strident. Various spokesmen of the Ministry of Finance are publicly castigating RBI for transferring less "surplus" to the Government of India this year and even resort to arm-twisting RBI by their statements that RBI as regulator must share the blame for banking sector NPAs and must deploy its funds to rescue banks in distress. Nothing can be more preposterous than this. Besides siphoning RBI reserve to tide over its financial difficulties, the Government further intends to bleed RBI white, do away with its autonomy and independence and make it subservient to Government for funds in critical circumstances. Let us analyse the matter in depth to understand Government's ploy and prevarication.

Let us see what the Government says in its latest Economic Survey (2016-17) – "Last year's Economic Survey (2015-16) had raised the issue of the Government's excess capital in the RBI. That issue could become even more salient this year because of demonetization.....

There is no particular reason why this extra capital should be kept with RBI. Even at current levels, the RBI is already exceptionally highly capitalized. In fact, it is one of the most highly capitalized central banks in the world. So, it would seem to be more productive to redeploy some of this capital in other ways.

Assuming that the RBI returns Rs. 4 lakh crore (indicative amount Government is eyeing from RBI-Voice) of capital to the Government, what are the uses to which this capital can be put? It could be used in several good (sic) ways:

First, for recapitalizing the banks and/or recapitalizing a Public Sector Asset Rehabilitation Agency (PARA);

Second, for extinguishing debt to demonstrate that the Government is serious about a strong public sector fiscal position....." (emphasis ours)

Having said these, the Survey, as a palliative, puts a caveat that "..... It must also be done with the full co-operation of the RBI to ensure that the RBI's independence and credibility are in no way diminished."

Excellent indeed ! Having robbed RBI of Rs.4 lakh crore you are suggesting that "RBI's independence and credibility are in no way diminished."

Let us look to the matter a little more closely.

Chapter XI of RBI Annual Report 2016-17 states in Clause (V) under the caption "Contingency Fund (CF)"

"Contingency Fund (of RBI) represents the amount set aside on a year-to-year basis for meeting unexpected and unforeseen contingencies, including depreciation in the value of securities, risks arising out of monetary / exchange rate policy operations, systemic risks and any risk arising on account of the special responsibilities enjoined upon the Bank". (emphasis ours)

The balance in Contingency Fund as on June 30, 2017 is Rs.2,28,207 crores. Last 3 years, i.e. 2013-14, 2014-15, 2015-16, RBI did not contribute any amount to its Contingency Fund and entire "surplus" of RBI viz. Rs.52,679 crore, Rs.65,896 crores and Rs.65,876 crores respectively (nearly Rs.1,85,000 crores in total) have been remitted to the Government. This was criticized strongly by many central banking experts and after a gap of 3 years, only this year (2016-17) RBI have transferred to the Contingency Fund Rs.13,140 crores bringing the total contingency fund to the aforementioned amount. RBI's remit to the Government this year has been Rs.30,659 crores.

The Ministry of Finance officials raised hue and cry as their budgeted estimate of RBI receipts has fallen short drastically, which was bound to be; demonetization of Rs.500/- and Rs.1000/- currency notes, about 86% of total money in circulation, being the *raison d'être*. Cost of huge volume of new note printing, remittance of new currency notes all over the country for remonetisation, scrutiny and cancellation of specified bank notes (SBNs) took its toll on RBI's earning. Besides, huge money entered the banking system and banks in turn deposited the same to RBI for reverse-repo purpose, costing more interest expenses of RBI.

Ministry of Finance's insistence, however, persists on getting the amount that RBI contributed to its Contingency Fund. And further pressure mounts on RBI that RBI must part with a substantial part of its reserve. Readers may please recall their subtle mention of Rs.4 lakh crores in the Economic Survey, quoted above.

So, not only the entire Contingency Fund of RBI is to be wiped out to supplement Government budget, the latter is also focusing on Currency and Gold Revaluation Account (CGRA) which is Rs.5,29,945 crores, which forms part of RBI reserve. [Item (iii) of Schedule 3, Page 182 of the RBI Annual Report] According to Sri G. Mahalingam, former Executive Director of RBI -

"It has been explained to the Government on several occasions in the past that CGRA is made up of only revaluation gains and losses (on Gold and Forex assets) and, hence, to that extent, they are not core reserves. In fact, accounting norms do not allow transfer of revaluation gains to Profit & Loss Account even, let alone transferring it to another entity. So, the Government's call for these reserves will not only leave RBI weak to fulfill its role effectively but this kind of transfer out of CGRA is also against sound cannons of accounting."

Now, coming to another warped argument of the Government spokesmen.

They contend that RBI has proportionally much more reserve as compared to GDP than other central banks viz., those of U.K., USA, France, Canada, Germany, Japan, etc. So, RBI need not maintain this amount of reserve but can remit the same to the Government. In the eventuality RBI faces any exigent situation, the Government is there to come to its rescue by rushing fund.

Is it believable? The Government which is perpetually short of fund and running fiscal deficit – how can they fund RBI when supposing, forex reserves suddenly lose its value due to market fluctuations, or when RBI has to buy forex from markets, national or global, or when RBI has to bail out a bank in distress as lender of the last resort? Where, at that precise moment, will Government find lucre to help RBI? Now itself Government propose to borrow additional Rs.50,000 crores from the market for its own purpose. How can they replenish if needs of RBI is added to their precarious

fund position? How can RBI run its monetary operations with its empty coffer while always looking to Government for succour, which Government, itself in need of fund, may decline or delay?

Comparability with economically advanced countries like USA, UK, Japan, etc. is absolutely uncalled for; their economic basics are much more strong than India's and they can sustain much more pressure; which India cannot. So adequate reserve for the central bank of India is a sine qua non for RBI's smooth functioning.

The prime functions of a central bank like RBI revolve around maintaining price stability and financial stability in the whole system which is sought to be achieved by sound policy making supported by prudent market operations. RBI relies on two critical variables viz., interest rate and exchange rate to fulfill its aforesaid mandate. These two variables are constantly tracked by RBI as a part of its market monitoring exercise. In case these variables move very widely, beyond RBI's comfort range, there could be severe consequences - inflation may flare up adversely impacting the poor and middle classes (in terms of their purchasing power), manufacturing and services industry may get seriously affected due to higher inflation, imports and exports may suffer hugely, large scale unemployment may result, etc. Hence RBI has to be on guard all the time to guide these rates (exchange and interest rates) on a sound trajectory and this is done by market operations of RBI (apart from prudent regulatory policies as already mentioned).

There are two major types of operations that RBI conducts: (a) Monetary Operations (includes both liquidity operations and open market operations (OMO) and (b) forex intervention operation.

RBI maintains a large portfolio of Government bonds to ensure that it is always in a position to conduct OMOs/ liquidity operations effectively to meet its policy objectives. Similarly, RBI maintains a large coffer of forex reserves (more than 400 billion US Dollars now) to conduct its forex intervention operations effectively.

Both these operations are done with the clear cut objective of stabilizing the markets. In the process RBI could also sustain huge losses in these operations (and, in fact RBI has made substantial losses on several occasions).

RBI should have the capacity to absorb these losses by generating sufficient income out of its domestic government bond portfolio and forex reserve portfolio. It is, therefore, absolutely necessary that RBI maintains, at any point of time, substantial amount of Reserve and Contingency Fund to offset these losses.

Apart from the above losses arising out of operation, RBI's bond portfolio can suffer huge valuation losses, when bond prices move down (for a variety of reasons). RBI should be in a position to absorb these valuation losses, by maintaining large reserves.

Similarly, RBI's forex reserves can suffer huge valuation losses, both on account of fluctuations in Rupee value as also other forex assets (ex: US bonds held in its portfolio) declining in value for a variety of reasons. Large reserves are needed to protect against these losses.

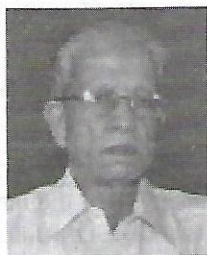
It goes without saying that RBI is able to transfer large profits to the Government year after year, only because it is now in a position to protect its balance sheet from losses from operational and valuation losses. In the absence of these reserves, RBI's balance sheet will stand exposed to the vagaries of the market and more importantly, RBI will be greatly constrained in conducting its market operations effectively.

It is to be stressed that a strong RBI reserve is an intrinsic strength of the nation's economy. With strong reserve as a back-up support RBI can face adverse eventualities courageously, which it has done admirably in many critical situations. This is also a reason of RBI's independence. If at every turn of event RBI has to look to the Government,

which means a few bureaucrats in the Ministry of Finance in particular, – RBI will be greatly handicapped which is absolutely unwarranted. If the Government tries to ride roughshod over RBI to deplete its coffer built up judiciously and prudently over decades, facing many a trial and tribulations, working under different regimes, nothing can be more objectionable and reprehensible than that. Let us bear in mind that Governments are transitory, one is replaced by the other, their policies are transient while RBI is a permanent entity wedded to nation's long term benefits and interest. RBI cannot be crippled or emaciated for some short term gains of this Government or that.

The former RBI Executive Director, Sri G. Mahalingam, comments aptly "if RBI reserves were to be pruned to transfer a sizeable portion to the Government it is exactly like killing the hen which lays golden eggs." Precisely so! And we know how the avaricious person had to pay for his greed and lost his daily supply of golden eggs forever!

Com. Sukomal Sen, a remarkable trade union leader, passes away



Com. Sukomal Sen, a leader and organizer par excellence of country's trade union struggle, the forerunner of office employees' movement, a campaigner of left democratic movement, passed away on 22nd November 2017 at the age of 83 years. He was ailing for some time.

He was the General Secretary of All India State Government Employees Federation from 1982 to 2008 and in that capacity he built up State Government employees' organization in different parts of the country. He was the General Secretary of the Trade Union International of Public and Allied Employees in Prague, a structure connected with the World Federation of Trade Unions (WFTU) from 1996 to 2009. He was the member of Rajya Sabha from 1982 to 1994 and was a spokesman there of the country's working class and their issues. He was also the Vice-President of CITU.

He was a Central Committee member of the CPI(M) and had a deep understanding of the progressive philosophy of the working class – Marxism. He was an ideologue and a prolific writer on socialism, egalitarianism and struggles therefor. His oeuvres on (i) Working Class of India : History of Emergence and Movement 1830-1990, (2) May Day and Eight Hour's Struggle in India are must-read for all trade union workers in our country.

With his vast experience and knowledge, he guided large number of trade unions in the country on issues and their movements. He was quite conversant with the issues of bank employees and have spoken/ written on their struggles in many fora and journals. To us, the AIRBEA, he was like a mentor, advising us whenever we needed. As a Parliamentarian, he led us to Central Ministers on many occasions. We are indeed indebted to Com. Sukomal Sen. His demise is a great loss to us.

We had the opportunity to felicitate Com. Sukomal Sen for his important contribution to country's trade union movement on the 90th Anniversary of our Association at Kolkata on 16th February 2013.

LONG LIVE COM. SUKOMAL SEN.

National Convention of Bank Women (BEFI) : Chennai

The Third National Convention of Women employed in the banking sector was held in Chennai on December 17, 2017 at the behest of Bank Employees Federation of India. Nearly 320 women delegates from various PSBs, RBI, RRBs, Co-operative Banks from across the country attended the Conference. This was inaugurated by Mariam Dhawale, General Secretary of AIDWA. Com. Kalyani Chakraborty, Convener of All India Women Sub-Committee of BEFI placed the work report. About 41 delegates deliberated upon, sounding a high note of confidence and indomitable spirit to defend the Public Sector, protect national unity and fight for gender equality. Com. Pradip Biswas along with other dignitaries addressed the Conference, harping on the need to involve women employees in trade union movement in large numbers. Com. Nupur Roy (West Bengal) has been elected as the Convener of All India Women Sub-Committee comprising 27 members from different States.

THE GREAT NOVEMBER REVOLUTION 1917 : CENTENARY



[The November Revolution of 1917 was a towering event which left its marks in the annals of world history in bold strokes. It inaugurated a workers' State, obviously socialist in real sense, which eliminated exploitation and deprivation, ensured fundamental needs of the millions in respect of education, health, guaranteed jobs for all. It shattered the old State apparatus to its foundation and transformed Russia from extreme backwardness into a strong

and developed Soviet Union with tremendous economic and social stability for its millions. November Revolution was of momentous significance for the oppressed people of the world. It inspired new revolutionary movements; radicalized peoples' struggles; and had a profound impact on national liberation movement in different parts of the world including India. Soviet Union, being the monumental product of November Revolution, also took unequivocal position against imperialism. By dint of rocklike conviction, stupendous courage, unique heroism and unparalleled supreme sacrifices of the Soviet people, both men and women, it saved not only their country but also the total humanity from fascist bondage. Today Soviet Union is not there. But that does not mean it was without merit. It showed us that a workers' and peasants' State can exist and can create policies to the benefit of the vast masses of the people rather than merely rich, that it can heal and educate rather than merely starve and kill. So long there are exploitations, sufferings, hunger, disparity and deprivation in the world, the November Revolution would uphold the beckon light to the oppressed people and inspire them to struggle for real emancipation of the humanity.

Hereunder a few quotes from the greatest world thinkers on November Revolution.]

Albert Einstein :

"The anarchism that is going on in Capitalist Society is due to the economic chaos and systemic deficiency which are the root cause of the crisis by establishing a socialist economy the evils can be eliminated...."

Rabindranath Tagore :

"Had I not visited Russia, my pilgrimage for a life time would have been very much incomplete.

.....They are all set for creating a new world. They cannot afford to wait, since they are surrounded by a hostile world as all around them is antagonism. They are endeavouring to stand on their own feet as early as practicable."

Leo Tolstoy :

"People created history, not the kings and the ministers."

Romain Rolland :

"I deny that Europe which denies Soviet Union,In my eyes and for that matter in our eyes and in the eyes of my sincere co-workers, the Soviet Union will be the most vivacious and proliferant (productive) part of Europe in the time to come."

Mahatma Gandhi :

"There is no questioning the fact that the Bolshevik ideal has behind it the purest sacrifice of countless men and women, who have given up their all for its sake; an ideal that is sanctified by sacrifices of such master spirits as Lenin cannot go in vain."

(*'Young India'* – 5th Nov. 1928)

Subhas Chandra Bose :

"Russia has enriched the culture and civilization of the world through its achievements in building up proletarian revolution, state and culture."

Jawaharlal Nehru :

"Russia apart, the theory and philosophy of Marxism lightened up many a dark corner of my mind. History came to have a new meaning for me."

"A study of Marx and Lenin produced a powerful effect on my mind and helped me to see history and current affairs in a new light. The long chain of history and of social development appeared to have some meaning, some sequence and the future lost some of its obscurity. The practical achievements of Soviet Union were also tremendously impressive..... The Soviet Revolution had advanced human society by a great leap and had lit a bright flame which could not be smothered, and that it had laid the foundations for that new civilization towards which the world could advance....."

(*'Discovery of India'*, Page 29)

Subramania Bharati :

"Life of the people as they themselves order it.

A law to uplift the life of the common man.

Now are there no bonds of slavery.

No slaves exist now." [From *'New Russia'*]

Bhagat Singh :

"We want socialist revolution. The integral primary task in this direction is to bring about political revolution and we want to do that. The political revolution does not mean merely the transfer of state (i.e., power) from the British to the Indians. The state power must be transferred in the hands of those Indians, who have specific revolutionary objective like ours on the basis of popular support. Thereafter, we have to march forward in an organized manner towards the goal of reconstructing the entire society on the basis of socialistic pattern."

Bernard Shaw :

"The social transformation that Russia has brought about in a decade is worth hundred years of endeavour in our system. ...The future lies in the hands of Lenin and Stalin. ...I was and will be a friend of the Soviet Union until the end of my days."

Maxim Gorky :

"The Soviet Union has initiated the process of creating the history of world anew."

FRDI Bill, 2017 - portentous damages to Indian Banking System and RBI



What is Bail-in?

For last one month there has been public outcry against the Bill revolving around its Section 52 which inter alia says that: "A bail-in provision means any or a combination of the following: – (a) a provision cancelling a liability owed by a covered service provider; (b) a provision modifying, or changing the form of, a liability owed by a covered service provider. Here, Covered Service Provider means a banking or insurance, non-banking or Systemically Important Financial Institutions etc. Liabilities mean bank deposits, long term investment in

Bonds of the bank, shareholders equity etc. In sum, it means that if a bank is found to be in a distressed position, instead of bailing out by the government (government providing money to replenish lost fund of the bank) the bail-in will be revoked which means the needed capital to save the bank will be collected from within the bank and this can be done by confiscating public deposits, partly or fully or modify the deposits as shares which may be redeemed in future when the bank has recovered from its ailment.

Obviously, such draconian measures incorporated in the captioned bill has created panic in the public mind. India is a bank-based society. Household savings are mostly made in form of bank-deposits since people have trust in the PSBs and they know that since these are predominantly owned by the Government of India, therefore, any crisis in the banks will be swiftly mitigated by the government and RBI by providing needed capital to the banks. The common people avoid investment in share markets for volatility of values of shares. Government seems to be bent upon driving people to share markets or mutual funds instead of banks by creating panic among the bank customers.

Will this bill, if enacted would impinge on RBI's autonomy?

The FRDI Bill, if enacted as an Act, will usher in **Financial Resolution Corporation (FRC)** with sweeping power. It will dissolve the present DICGC, a subsidiary of RBI and take over its functions in entirety, including disbursing claimed amount under deposit insurance. Thus RBI's jurisdictions will be further curbed.

Secondly, in case any bank or non-banking institution is found in financial distress, the powers of its restoration or resolution, merger or amalgamation, or even liquidation will be vested with FRC, which has hitherto been done by RBI.

Thirdly, in such cases, all the supervisory or regulatory powers of RBI will be taken over by the

On 20 July 1969, the Indian government nationalized fourteen private sector banks. By any measure, this was the defining economic event of not just the 1960s but the next three decades. Its reverberations have still not died down. It remains without doubt, the single most important economic decision taken by any government since 1947. Not even the reforms of 1991 are comparable in their consequences – political, social and, of course, economic.

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FRC. It can order amalgamation, merger, liquidation and acquisition of any Bank. The Corporation will possess absolute powers to remove the CEO, Chairman, Managing Director or any other officer of a Bank or Insurance Company without any compensation. It can also remove any employee who does not have the protection of the Industrial Disputes Act, 1947.

What has been the role of RBI during banking crises?

We can proudly say that RBI is one of the best Central Banks in the world. Its role during the Meltdown of 2008, protecting Indian banking system from its contagion effect received plaudits from luminous economists like Joseph Stiglitz. Only the other day, in an interview given to a TV channel our former governor Dr. Y. V. Reddy who steered the RBI through that tough period of world financial crisis, expressed surprise that why FRDI? After all, a solution is sought, when there is any problem. Where is the problem? He meant that in India as far as resolution of any bank in crisis is concerned, RBI has been promptly and most efficiently taking necessary steps to help the ailing banks to turn around. Presently, the RBI has imposed "prompt corrective actions" (PCA) on ten large banks, which are burdened with bad loans and running short of capital adequacy.

The RBI has also forced the liquidation of a dozen of the country's top loan defaulters, including Essar Steel, Jaypee Infratech, Lanco and Bhushan. These industrial houses owe 2 lakh crore to the banks which they had taken as loans from the banks and did not pay back. RBI has contributed immensely to the development of Indian economy. It has worked hard with the governments for long years in implementing the five year plans. It has been mobilizing huge public debt for the government to invest in infrastructure and other developmental works. It may be noteworthy, that India has an enviable record of keeping low Public Debt to GDP ratio, whereas the European nations landed themselves in Sovereign debt crises.

Does Indian banking system need such changes as advised by International bodies?

We can proudly say that India has one of the soundest banking system in the world which has not seen any major bank failure, or any loss to any account holder since 1969 when major banks of the country were nationalized. Two exceptional cases may be cited, one in 2004 relating to the Global Trust Bank (GTB) which had lent to a cartel involved in a stock scam. The RBI moved a moratorium on its operations after the bank breached regulatory caps and organised a merger of the sick bank with the larger Oriental Bank of Commerce in a manner so that none of its 1 million depositors lost any money. GTB shareholders, however, had to take a hit. Another was the case of Bank of Rajasthan in 2013. It was merged with ICICI bank by RBI. Not a single rupee was lost by anyone among the large number of its account holders.

When we look at our counterparts in US and the Continent, the banking business is predominantly under private ownership and bank failures are common features. The bail-out amount in the advanced countries taken from public exchequer far outweighs the amount of recapitalization infused in Indian Public Sector banks by the government. Till few years back government used to receive large sum of monies from the PSBs as dividend, despite the fact that the PSBs have to meet various social obligations for which it has to sacrifice substantial profit which it could gain from commercial investment. Thanks to PSBs soft credit flow to peasantry, the green revolution could take place in India and it could achieve food security in the country. Not only agriculture, the Indian corporate would not have reached the envious height today. The Indian PSBs contributed largely to the industrial development of the country.

What makes the government to take such a stance?

There are obvious reasons for government to take such a stance, which as we understand is not only unwarranted but completely at variance with the principles of social banking ushered in by nationalization of major banks in 1969.

As we are aware of the fact that Indian banks in general and PSBs particularly have amassed huge

non-performing assets. Almost 10 lakh crore loans disbursed by the PSBs, 90% of which has been given to the corporate have turned bad debt. The renowned corporate houses of the country have not returned the loans they had borrowed from the banks. Large amounts have been siphoned off to elsewhere, even in foreign banks or in money laundering channels. The government not only did not arrest them or confiscated their assets, it even shied away from publishing the names of the corporate houses despite Hon'ble Supreme Court's instruction to do so.

Now in face of such huge NPAs due to willful defaults on part of the corporate houses the government wants to confiscate common people's deposits to fill in the lost assets by the banks. We know that household deposits constitute the single largest component of total liabilities of the banks and adding the government deposits with it the total public liabilities of the banks is almost 85%.

It is most threatening move of the government to confiscate public deposits to protect the willful corporate defaulters. Bank employees and their unions are in the forefront of the fight against this menacing move of the present dispensation. They have already alerted the government that if the Section 52, or particularly if the deposits of banks account holders are not excluded from the bill they will go on strike.

What has been the role of AIRBEA in opposing the Bill?

At the advice of the AIRBEA, the "Voice" of our April issue this year published an elaborate report on the FRDI Bill, examining its various important sections that might damage our banking system in general and paralyze severely the role and functions of RBI particularly, which has time and again saved the nation from the contagion effect of major international banking and financial crises and done marvelous job as regards to resolving any crisis in any bank that cropped up sometimes in Indian Banking System.

As the news spread that the FRDI Bill, 2017 will be taken up by the Lok Sabha in winter session, the AIRBEA promptly reacted and issued a press statement on November 30, 2017 demanding of the Government of India to ensure safety of the common depositors of this country with exclusion of common deposits from the Section 52 and also to raise the insurance amount to Rs 10 lakh from existing 1 lakh, since the last updation was done about 25 years back in 1993 and value of rupee has much eroded since.

AIRBEA also wrote a letter dated the December 5, 2017 to the Governor of RBI and solicited his immediate intervention to retain DICGC with RBI, raising the insurance coverage on deposits to Rs 10 lakh. It also denounced the government move in contravention of Banking Regulation Act to take away supreme authority of RBI over banking system in India.

The AIRBEA have also requested the Hon'ble Speaker, Lok Sabha for deposition to the Parliamentary Committee which has been set up to finalize the FRDI bill before placement in Parliament.

Com. Ramananda Rudra :

VOICE deeply grieves the passing away of veteran comrade Ramananda Rudra on 5th January 2018 at the age of 87 years. While in service he has been in the forefront of RBI employees' collective activities in the fora of Association, Co-operative Society, Canteen Committee, Sports Club - everywhere. His loyalty to and love for the Association was unparalleled. Retiring from Bank's service on 31st May 1991, (joining on 2nd May 1953) Com. Ramananda Rudra's was an invariable presence in all meetings/ programme of the Association, all functions of the Society, Sports Club, etc. He even attended the Annual General Meeting of Retirees' Organisation in Kolkata on 16th December 2017, being there all along. A soft spoken, humorous, jovial personality Rudrada, as he used to be called by everybody and universally loved, left an indelible imprint in our collective life, which will be poorer in his absence. VOICE sends its bereavements to Rudrada's kith and kin.

COM. RAMANANDA RUDRA AMAR RAHE.

QUANTUM OF WAIVED

(R in crore)

No.	Bank	2014-15	2015-16	2016-17
1	Allahabad Bank	2109	2126	2442
2	Andhra Bank	1124	814	1623
3	Bank of Baroda	1563	1554	4348
4	Bank of India	866	2374	7345
5	Bank of Maharashtra	264	903	1374
6	Canara Bank	1472	3387	5545
7	Central Bank of India	1386	1334	2396
8	Corporation Bank	779	2495	3574
9	Dena Bank	515	760	833
10	IDBI Bank	1509	5459	2868
11	Indian Bank	550	926	437
12	Indian Overseas Bank	2087	2067	3066
13	Oriental Bank Of Commerce	925	1668	2308
14	Punjab & Sindh Bank	263	335	491
15	Punjab National Bank	5995	6485	9205
16	Syndicate Bank	1055	1430	1271
17	UCO Bank	nil	1573	1937
18	Union Bank of India	931	792	1264
19	United Bank of India	761	649	714
20	Vijaya Bank	791	510	1065
21	State Bank of India	21303	15935	20339
22	Five Associate Bank of SBI	2669	3889	7234
	Total	48917	57465	81679

(Source : Bank Flag, Monthly Organ of AIBEA October 2017)

World Inequality Report 2018 : India's top 1% earners received 22% of national income in 2014

Since the beginning of deregulation policies in the 1980s, the top 0.1 per cent earners have captured more growth than all of those in the bottom 50 per cent combined.

Income inequality in India has reached historically high levels with the share of national income accruing to India's top 1 per cent earners touching 22 per cent in 2014, while the share of the top 10 per cent was around 56 per cent, according to the World Inequality Report 2018 released in the Capital on Wednesday. Inequality in India has risen substantially from the 1980s onwards, following profound transformations in the economy that centered on the implementation of deregulation and opening-up reforms, as per the report.

Since the beginning of deregulation policies in the 1980s, the top 0.1 per cent earners have captured more growth than all of those in the bottom 50 per cent combined, while the middle 40 per cent have seen relatively little growth in their incomes.

This rising inequality trend is in contrast to the 30 years that followed the country's independence in 1947, when income inequality was widely reduced and the incomes of the bottom 50 per cent grew at a faster rate than the national average, said Lucas Chancel, Co-Director of the World Inequality Lab at the Paris School of Economics.

"Post 1980s, inequality has risen in China and India. Inequality rose to extreme level in India and moderate level in China as China invested more in education, health and infrastructure for its bottom 50 per cent population," he said. Chancel said the key question to ask is whether the enormous rise of income of the top 1 per cent was essential for the growth of the bottom 50 per cent. "The answer is no. It is possible to combine high growth with low inequalities," he said.

The report, launched globally recently, was coordinated by economists Facundo Alvaredo, Lucas Chancel, Thomas Piketty, Emmanuel Saez and Gabriel Zucman and shows unequal impacts of globalisation over past 40 years. The report noted that the temporary end to the publication of tax statistics between 2000-2010 by Indian government highlights the need for more transparency on income and wealth statistics that track the long-run evolution of inequality.

"The structural changes to the economy along with changes in tax regulation, appear to have had significant impact on income inequality in India since the 1980s. In 1983, the share of national income accruing to top earners was the lowest since tax records started in 1922 : the top 1 per cent captured approximately 6 per cent of national income, the top 10 per cent earned 30 per cent of national income, the bottom 50 per cent earned approximately 24 per cent of national income and the middle 40 per cent just over 46 per cent, but by 1990, these shares had changed notably with the share of the top 10 per cent growing approximately 4 percentage points to 34 per cent from 1983, while the shares of the middle 40 per cent and bottom 50 per cent both fell by 2 percentage points to around 44 per cent and 22 per cent, respectively," the report said.

(emphasis - ours)

"Every religion has produced men and women of most exalted character. If in the face of this evidence, anybody dreams of the exclusive survival of his own religion and destruction of the others, I pity him from the bottom of my heart."

-Swami Vivekananda