

Govt to amend 2 Acts for PSBs' privatisation

It is expected that these amendments may be introduced in the Monsoon session or later during the year

NEW DELHI

TO facilitate privatisation of public sector banks (PSBs), the government is likely to bring amendments to two legislations later this year.

Amendments would be required in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 for privatisation, sources said. These Acts led to nationalisation of banks in two phases and provisions of these laws have to be changed for privatisation of banks, they said. As the government has already announced the list of legislative business for the Budget session, it is expected that these amendments may be introduced in the Monsoon session or later during the year, sources added.

The ongoing Budget session is scheduled to take up as many as 38 Bills including the Finance Bill 2021, Supplementary Demands for Grants for 2020-21 and related Appropriation Bill, National Bank for Financing Infrastructure and Development (NaBFID) Bill, 2021, and Cryptocurrency and Regulation of Official Digital Currency Bill, 2021. Finance Minister Nirmala Sitharaman while presenting Budget 2021-22 earlier this month had announced privatisation of Public Sector Banks (PSBs) as



part of disinvestment drive to garner Rs 1.75 lakh crore.

"Other than IDBI Bank, we propose to take up the privatization of two Public Sector Banks and one General Insurance company in the year 2021-22," she had said.

Later in one of the post Budget interactions, the Finance Minister had said the government will work with the Reserve Bank for execution of the bank privatisation plan announced in the Union Budget 2021-22. "The details are being worked out. I have made the announcement but we are working together with the RBI," she had said, when asked about the proposal. The government last year consolidated 10 public sector banks into four and as a result the total number of PSBs came down to 12 from 27 in

March 2017. As per the amalgamation plan, United Bank of India and Oriental Bank of Commerce were merged with Punjab National Bank, making the proposed entity the second largest PSB. Syndicate Bank was merged with Canara Bank, while Allahabad Bank was subsumed in Indian Bank.

Andhra Bank and Corporation Bank were amalgamated with Union Bank of India. In a first three-way merger, Bank of Baroda merged Vijaya Bank and Dena Bank with itself in 2019. SBI had merged five of its associate banks - State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Travancore and State Bank of Hyderabad- and also Bharatiya Mahila Bank effective April 2017

FM addresses RBI board, explains priorities of govt

NEW DELHI

FINANCE Minister Nirmala Sitharaman on Tuesday explained the government's priorities to the Reserve Bank of India's central board during their first meeting after presentation of the Union Budget 2021-22.

As per the tradition, the finance minister holds customary meeting with the board members of the RBI and the Securities and Exchange Board of India (Sebi) after Budget presentation every year. The finance minister addressed the 587th RBI central board meeting and informed the members about the key initiatives in the Budget and the priorities of the government, RBI said in a statement. "Complimenting the finance minister on the budget, the board members made various suggestions for consideration of the government," it added.

At its first meeting after the presentation of the Budget for 2021-22, the central board of directors also re-

viewed the current economic situation. "The board in its meeting reviewed the current economic situation, global and domestic challenges and various areas of operations of the Reserve Bank, including ways for strengthening of grievance redress mechanism in banks," it said. The meeting on Tuesday was chaired by RBI Governor Shaktikanta Das through video conferencing.

The government's nominee directors on the board - Financial Services Secretary Debasish Panda and Economic Affairs Secretary Tarun Bajaj - also attended the meeting. Apart from Sitharaman, Minister of State for Finance Anurag Singh Thakur, Finance Secretary Ajay Bhushan Pandey and Department of Investment and Public Asset Management Secretary Tuhin Kanta Pandey were also present. Earlier this month, the finance minister presented a Rs 34.5 lakh crore-budget for 2021-22 in the backdrop of the coronavirus pandemic.

The budget has laid emphasis on increasing capital expenditure, raising allocation for healthcare capacity building and development of agriculture infrastructure, among others, which are expected to have a multiplier effect on the economy.



Nirmala Sitharaman, Finance Minister

Unions fear corporatisation of major ports

Continued from P1

As per Section 42, deposits may go to private banks. There will be no job security for employees. There is no guarantee of pension once the nomenclature of major ports changes, Masen, general secretary of Visakhapatnam Harbour & Port Workers' Union, said. Besides Visakhapatnam, Paradeep, Jawaharlal Nehru, Kolkata and Deendayal (Kandla) are among 11 major ports which are under the administrative control of the Central Government. The major ports have a workforce of 25,000 and a large number of pensioners. They fear that once the major ports become landlord ports by allowing private investors to run the berth operations, they will face job cuts and pay cuts. Already the Centre is planning to prune the staff size by introducing a special voluntary retirement scheme. The stevedores also feel that automation will make them jobless.

United Port & Dock Employees' Union general secretary V S Padmanabha Raju said the new legislation under the garb of autonomy to the major ports would make them companies. The majority in the boards might also go to the BOT operators making the ports private bodies for all practical purposes. He said there could be an

Already, the Centre is planning to prune the staff size by introducing a special voluntary retirement scheme. The stevedores also feel that automation will make them jobless

attempt to sell away valuable lands of Visakhapatnam, Jawaharlal Nehru and other major ports to various corporates to raise funds under some pretext or the other, adding certainly the initiative taken by the BJP-led NDA Government was detrimental to national interest and security. Bharatiya Mazdoor Sangh (BMS), which is close to the ruling dispensation, welcomed the Major Port Authorities' Bill, 2020. BMS all India vice-president M Jagadeeswara Rao said they wanted the majority of berths to remain under the government control and new ports should not be allowed to come up within a radius of 100 km to avoid unhealthy competition.

Is Nureca's IPO fraudulent?

Continued from P1

This is a wholly owned company of a private limited company and shares are issued to the promoter free of cost. For five years nothing much happens. Suddenly during lock down, sales zoom and profits sky rocket.

The management cashes out big time and issues a bonus of 600 per cent. To get the share issue stage managed he also does a private placement of 5 lakh shares at Rs 100. And to cap it all, a public issue of Rs 100 crore at a price of Rs 400. This says it all.

Robinhood investors, take your call in subscribing to such an issue where credentials are suspect and the share would trade in the trade-to-trade category for the first 10 trading sessions.

(The author is the founder of Kejriwal Research and Investment Services, an advisory firm)



Krishnan Ramachandran, MD & CEO, Max Bupa, addressing mediapersons in Hyderabad on Tuesday. He is flanked by Bhabatosh Mishra and Praveen Pathak

Max Bupa opens four branches in Telangana

HYDERABAD

MAX BUPA, health insurance company, announced on Tuesday that it would strengthen its presence in Telangana by opening four new branches - two in Hyderabad, one each in Warangal and Nizamabad.

Addressing media persons in Hyderabad today, Krishnan Ramachandran, Managing Director and Chief Executive Officer, Max Bupa, said, "The insurance company aims to provide health coverage to over 3.5 lakh people

in the next five years in the State." "The customers can avail cashless hospitalisation through 300 network hospitals in the State and 6,000 plus hospitals across the country. Our target is to clock Rs 240 crore gross written premium and 20 times growth in policy purchase from the new branches in next five years," he said. The company has a 37 per cent growth in FY21 with a 1,700 crore gross premium sales. Over all 28 lakh customers avails their products and has a 91 per cent claim settlement ratio.