



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

Vol - XX

**AIRRBOF** *News Letter*

June, 2013



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

SILIGURI

No. 06

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## **EDITORIAL**

### **AGREED AND DOUBTFUL INTEGRITY LIST**

**T**here is a system of preparing the 'Agreed' list and another list of the officers of 'Doubtful integrity' in the Public Sector Banks. The purpose of the preparation of these two lists has its roots concept of 'preventive vigilance'. The officers whose names are found in these two lists do suffer ignominy both on personal and career front. It is therefore important for us to understand the mechanism of 'Agreed List' and the list of 'Doubtful Integrity'. The Agreed List is prepared to include the names of such officers against whose honesty or integrity, there are complaints, doubts or suspicion. This list is prepared by the Chief Vigilance Officer (CVO) of the bank in consultation with the Central Bureau of Investigation (CBI). The purpose of preparing this list is to maintain a quiet and unobtrusive watch on such officers by the bank and also by the CBI. The system of preparation of Agreed List of the officers of the bank also provides that the list agreed upon between CVO and CBI would have to be approved by the Chief Executive of the bank and such approval alone validates the Agreed List. If there are differences of opinion between the CVO and the CBI, the same should be resolved by mutual discussion. In any event, the decision of the Chief Executive of the bank about the desirability of an inclusion or deletion of an officer's name in the Agreed List will be final. But it is more in theory than in practice. It has been observed that the Chief Executives of the banks invariably agree to the list prepared by the CVO and the CBI with mutual discussion. It is desirable that the Chief Executives

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exercise this power in an objective manner while according approval to the list so prepared.

As this list is expected to make contribution in the area of Preventive Vigilance, it is important that the closer and more frequent inspection of their work and performance is done, particularly where there is a scope for exercise of discretion or for showing favours. CBI is expected to keep an unobtrusive watch on the contacts of the officers in the Agreed List, their style of living etc. The bank is required to make available to CBI, the Assets & Liabilities statement submitted by these officials for secret scrutiny of their assets and financial resources. CBI is also expected to collect information of specific instances, if any, pertaining to bribery and corrupt practices. It is noteworthy here that mere inclusion of an officer's name in the Agreed List cannot be considered as a reasonable ground to initiate any adverse punitive action against those officers either by the bank or by the CBI. The Agreed List remains in force for a period of one year from the date of its preparation. At the end of this period, the list is to be reviewed and the name of those officers in the list against whom there is found no sufficient evidence to proceed against, shall be deleted from the list.

The list of the officers of Doubtful Integrity is more serious than the Agreed List. The list of officers of Doubtful Integrity is prepared by the bank without involving any consultation with CBI. The banks are only expected to submit a compliance report to CVC for having prepared such list. The list of officers of Doubtful Integrity should include the names of those officers who have been convicted by a Court of Law on a charge of lack of integrity or for an offense involving moral turpitude but such officers in view of exceptional

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circumstances have been awarded a penalty other than dismissal, removal or compulsory retirement. The list shall also contain the names of officers who have been awarded a major penalty in a disciplinary proceeding on a charge of lack of integrity or on a charge of gross dereliction of duty in protecting the interest of the bank although the corrupt motive may not be capable of proof. This provision is most misused by the authorities who are responsible to prepare the list of officers of Doubtful Integrity as it has been found in some banks that the names of all those officers who are awarded major penalty even for the reasons not included here are included in this list in a routine and mechanical manner. It is therefore important that the Chief Executive of the banks exercise their power of approval more discretely in the overall interest of the bank and also the officers' community. There are many occasions when the major penalties are inflicted on the officers without there being any proof of lack of integrity, gross dereliction of duty etc. It has also been seen that without there being any charge relating to offenses involving moral turpitude or lack of integrity, the disciplinary authorities deemed it fit to impose a major penalty and even the names of such officers were included in the list of Doubtful Integrity.

The Law of the land provides for presumptions of innocence until proved guilty. But it is inexplicable that the names of officers against whom the proceedings for a major penalty or a Court Trial are in progress for the alleged acts involving lack of integrity or moral turpitude, are also included in the list and such officers are made to suffer the humiliation and the loss of opportunities of promotion, placement, trainings etc. In the event of such officers not being inflicted with major penalties or conviction, the losses so suffered during the pendency of the proceedings become irreversible. It

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therefore calls for reconsidering the grounds for inclusion of the names of the officers in the list of Doubtful Integrity. The list of officers of Doubtful Integrity should also contain the names of those officers who have been prosecuted but acquitted on technical grounds and in whose cases on the basis of evidence during the Trial, there remained a reasonable suspicion against their integrity. The Scheme of the preparation of the list of officers of Doubtful Integrity provides that the officers who have been cleared in a disciplinary proceeding or honorable acquitted in a Court Trial or the officers against whom an investigation has not brought forth sufficient evidence for recommending even a disciplinary case or the officers who have been convicted of the offences not involving lack of integrity or moral turpitude or the officers against whom the disciplinary proceedings have been completed or are in progress in respective of administrative lapses, minor violation of conduct rules etc., should not be included in the list of officers of Doubtful Integrity.

It is thus clear that the list of officers of Doubtful Integrity would generally included the names of those officers who after the enquiry or the investigation have been found to be lacking in integrity whereas the officers included in the Agreed List are those whose honesty and integrity are in doubt or suspicion though it had not been confirmed through an enquiry. Once included, an officer's name is to be maintained in the list of officers of Doubtful Integrity for a period of three years from the date of conviction or imposition of major penalty on the ground provided in the Scheme. Apart from using the list of officers of Doubtful Integrity as a measure of Preventive Vigilance, it is also open to the bank to withhold the certificate of integrity, transfer from 'sensitive posts', non promotion to a grade or post to which an officer is eligible, compulsorily retire in public interest (otherwise than as a penalty), refuse



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extension of service or permission for re-employment/ commercial employment after retirement, not to sponsor the name for foreign assignment / deputation etc.

Since the Agreed List and the List of officers of Doubtful Integrity have significant impact on the career and morale of the officers, the preparation of these lists in itself is a sensitive job and hence must be performed by the authorities concerned with utmost integrity on their part without bringing in the elements of bias and prejudice. The competent authorities may take cognizance of the fact that the banks where complete objectivity is ensured in preparation of these lists, are found to be having better morale and higher level of motivation of the officers which serve the interest of the bank better.

### **ENRICH YOUR KNOWLEDGE**

#### **1<sup>ST</sup> MAY: INTERNATIONAL WORKERS' DAY**

International Workers' Day is the commemoration of the 1886 Haymarket affair in Chicago. The police were trying to disperse a public assembly during a general strike for the eight-hour workday, when an unidentified person threw a bomb at them. The police reacted by firing on the workers, killing dozens of demonstrators and several of their own officers.

In 1889, the first congress of the Second International, an organization of socialist and labour parties formed in Paris on July, 14, 1888, in its meeting

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in Paris for the centennial of the French Revolution and the Exposition Universelle, following a proposal by Raymond Lavigne, called for international demonstrations on the 1890 anniversary of the Chicago protests. May Day was formally recognized as an annual event at the International's second congress in 1891.

Subsequently, the May Day Riots of 1894 occurred. In 1904, the International Socialist Conference meeting in Amsterdam called on "all Social Democratic Party organizations and trade unions of all countries to demonstrate energetically on May First for the legal establishment of the 8-hour day, for the class demands of the proletariat and for universal peace. "The congress made it "mandatory upon the proletarian organizations of all countries to stop work on May 1, wherever it is possible without injury to the workers.

In many countries, the working classes sought to make May Day an official holiday and their efforts largely succeeded.

## **EXCERPTS FROM AIRRBOF CIRCULARS**

Circular # 13:2013

8<sup>th</sup> May, 2013

### **SLP(C) NO 39288 OF 2012 & 1A NO 2/2013 OF AIRRBOF – PROGRESS IN PENSION CASE BEFORE HON'BLE SUPREME COURT OF INDIA**

We have already reported to you that Hon'ble Supreme Court of India, Court No. 2 by passing an order in the aforesaid SLP(C) on 18<sup>th</sup> February, 2013, directed that the matter shall come up for arguments during the first half of the summer vacation. In the mean time, our Federation simultaneously filed an application for Transfer of our WP(C) before Hon'ble Delhi High Court. At the same time we filed an intervention petition before the Hon'ble Supreme Court numbered as 1A No. 2 of 2013. The concerned chamber Judge has allowed the Intervention Petition 1A No. 2 of 2013 to be tagged with SLP(C) No. 39288 filed by Union of India in regard to the legality and direction on Pension Payment to Officers & Employee of RRBs at par with their counterparts in sponsor Banks.

We mentioned earlier that the SLP(C) is directed to be listed for arguments in the first part of the Summer Vacation. General Secretary of our Federation along with Com. R. K. Barman, Dy. General Secretary held detailed

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consultation with our Advocate on Record as well as Seniors Advocates in regard to the case. It emerged that the matter shall be speeded up and we have the required merit in the case. However, we need to engage best Advocates of the Supreme Court. The desired collection of the Levy imposed on Pension Case did not reach our Federation. Therefore, we appeal to all our affiliates / member to pay the Levy immediately and the same should be deposited with AIRRBOF Account.

Circular # 14:2013

8<sup>th</sup> May, 2013

### **MEETING WITH OFFICIALS OF DFS, GOVT. OF INDIA ON 7<sup>TH</sup> MAY, 2013**

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A delegation of AIRRBOF comprising of General Secretary and Dy. General Secretary Com. R. K. Barman held meeting with Senior Officials of Dept. of Financial Services in New Delhi on 7<sup>th</sup> May, 2013 afternoon. In view of sudden preoccupation of Shri Umesh Kumar, Jt. Secretary meeting held with Ms. Anna Roy, Director (RRBs).

We condemned the role of Govt. of India to move Supreme Court to contradict the verdict of Hon'ble Rajasthan High Court granting parity in Pension for Officers and Employees of RRBs. We pointed out that the then Finance





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Minister had approved the Pension Proposal and hence denial of Pension Parity is illegal and illogical. Director heard our view point and told that she shall personally ensure that the Supreme Court case ends positively and a beginning can be made towards payment of Pension. We also pointed out that no discrimination should be made in respect of payment of Pension on the basis of Profit or loss of RRBs.

We criticized the role of Govt. of India to move a bill to dilute the Govt. of India and sponsor Bank holding to the extent of 49% and demanded immediate review of the proposal. We understand that the bill shall be referred to Standing Committee on Finance of Lok Sabha.

We demanded that let the Govt. of India direct NABARD to hold regular meeting of JCC. We demanded that the JCC be set up at the level of Dept. of Financial Services instead of NABARD.

We also demanded that Govt. of India direct all sponsor Banks to revise of the allowances & benefits at par and no difference should exist between RRB to RRB.

Director (RRB) remained positive in her approach and assured us to take appropriate steps in this regard.

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Circular # 15:2013

8<sup>th</sup> May, 2013

**GENERAL BODY MEETING OF GRAMIN BANK OF ARYAVRAT OFFICERS' ASSOCIATION HELD ON 5<sup>TH</sup> MAY, 2013 IN LUCKNOW --- A GRAND AFFAIR**

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Erstwhile Aryavrat Gramin Bank, sponsored by Bank of India, was a vibrant RRB having HO in Lucknow. Kisan Kshetriya Gramin Bank, sponsored by UP State Co-operative Bank, was amalgamated with Aryavrat Gramin Bank on 1<sup>st</sup> October, 2012 and the Bank was renamed as Aryavrat Kshetriya Gramin Bank. On 01.04.2013 Shreyas Gramin Bank (Sponsored by Canara Bank) was merged with Aryavrat Gramin Bank and the amalgamated RRB was renamed is Gramin Bank of Aryavrat. The amalgamated Gramin Bank has emerged as the largest RRB in the North India. Therefore, General Body meeting of Officers' Association of such a Bank shall, naturally, should be a great occasion.

The volunteers and organizers of the meeting made all arrangements to hold the conference in a befitting manner at 'Babiyann Inn' Lucknow on 5<sup>th</sup> May, 2013. The venue was tastefully decorated and the entire place was in festive mood. The hall was full with enthusiastic members thronging much before the



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start of the conference. At the outset welcome address was extended by Com. V. S. Chouhan. Felicitations were offered to all retired officers. All the distinguished guests were felicitated by offering of bouquets and shawls.

The open session was inaugurated by lighting of traditional lamp and invocation of blessings of Mata Saraswati and singing of National Songs.

The conference was set in tune by the spirited speech by Com. Y. K. Arora, Convener, UBFU, UP State Unit. Shri Ganesh Tiwari, Noted Journalist and Social Activist shared his thoughts and future plan of action.

The General Secretary of AIRRBOF, Com. S. K. Bhattacharjee in his inimitable style narrated all developments on Pension, the proposed dilution of Govt. share holding in RRBs, the crux of the problem of the ongoing amalgamation of RRBs. Com. Harvinder Singh, General Secretary, The Federation of Bank of India Officers' Association and All India Nationalized Bank Officers' Federation rendered highly spirited address sharing his concern to ensure passing of all benefits to officers of RRBs. He pledged to stand by in the movement of RRB Officers. Com. AP Singh, Chairman of the Association also shared his thought

process and ridiculed attempts of Management to weaken the organization. He came down heavily on corruption in high places.

The open session of the conference ended with rendering of Vote of thanks by Com. V. B. Katiyar, President of the Association.

In the afternoon delegation session was conducted properly. The report of the General Secretary be was placed and deliberated upon. Statement of Accounts was placed and adopted. Plan of Action for the ensuing period was deliberated and discussed.

AIRRBOF wishes Gramin Bank of Aryavrat Officers' Association a great future.

Circular # 16:2013

20<sup>th</sup> May, 2013

## **PROGRESS OF SUPREME COURT CASE FOR GRANTING PENSION PARITY – ROLE OF AIRRBOF**

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We have already circulated to you that the IA No. 2 of 2013 filed by All India RRB Officers' Federation had been allowed by the Hon'ble Chamber Judge of Supreme Court of India to be tagged with SLP(C) No. 39288 of 2012. The



SLP(C) along with IA No. 2 had been listed as item No. 15 in Court No. 2 of the Hon'ble Supreme Court.

Leaders of AIRRBOF led by General Secretary reached New Delhi for this purpose. Conference was held with Shri Jayant Bhusan, Sr. Advocate and Shri D. S. Chauhan, Advocate - on Record on 19<sup>th</sup> May, 2013 morning to fine tune our approach before the Hon'ble Supreme Court.

The matter of SLP(C) along with the IA of AIRRBOF came up for hearing before the Hon'ble Supreme Court as item No. 15. Hon'ble Supreme Court No. 2, Corum Justice B. S. Chauhan, & Justice Dipak Mishra, heard the matter. Hon'ble Court allowed the IA No. 2 filed by All India RRB Officers' Federation. The original matter for Pension Parity was part heard by the Hon'ble Court and they posted the matter for hearing on 2<sup>nd</sup> Week of July, 2013.

Before the Court Sr. Advocate of Supreme Court Shri Jayant Bhusan and Advocate - on Record Shri D. S. Chauhan appeared for AIRRBOF. Three Office bearers led by the General Secretary, AIRRBOF remained present in the court.

Friends, the historic case for Pension Parity before the Hon'ble Supreme Court is entering the decisive stage. Litigation before Supreme Court is a costly affair

and hence huge amount of fund is required. Our affiliates who have not so far remitted Supreme Court case Levy should immediately remit to same to AIRRBOF.

Let us all contribute to ensure AIRRBOF wins the Pension Case before the Hon'ble Supreme Court. Your support is the need of the hour.

Circular # 17:2013

22<sup>nd</sup> May, 2013

### **HIGHLIGHTS OF PERFORMANCE OF RRBs DURING 2012-2013**

On the basis of provisional data furnished by 64 Regional Rural Banks for the year 2012-13, a brief analysis of important indicators of their performance is as under:

#### **BRANCH NETWORK**

As on 31<sup>st</sup> March, 2013, 64 RRBs to operate with a network of 17856 Branches (16914 Branches during previous year) covering 635 districts.

#### **SOURCES OF FUND**

##### **Share Capital**

The paid up capital of all the 64 RRBs stood at Rs.197 crore as on 31<sup>st</sup> March, 2013.

### **Share Capital Deposit**

As a part of comprehensive restructuring programme for RRBs, recapitalization assistance of an aggregate financial support of Rs. 5977 crore was provided up to 31<sup>st</sup> March, 2013.

### **Reserves and Surpluses**

Reserves and Surpluses of RRBs increased by 17.91% during the year 2012-13. In absolute terms Reserves and Surpluses moved up from Rs.11135.19 crore as on 31<sup>st</sup> March 2012 to Rs. 13130.13 crore as on 31<sup>st</sup> March, 2013.

### **Owned Funds**

The owned funds of RRBs, comprising Share Capital, Share Capital Deposits and Reserves & Surpluses increased from Rs. 15892 crore as on 31<sup>st</sup> March, 2012 to Rs.19304 crore as on 31<sup>st</sup> March, 2013 registering a growth of 21.46%. The increase in own funds has been primarily due to 53 RRBs reporting profit to the tune of Rs. 3280.86 crore during the year and receipt of recapitalization assistance to the tune of Rs. 4930.38 crore. 53 RRBs have completely wiped out their accumulated losses.

### **Deposits**

The RRBs were successful in adding about Rs. 211457 crore to their deposit base during the year 2012-13. The deposits as a resource for RRBs enhanced to Rs. 211457 crore as on 31<sup>st</sup> March, 2013 as against Rs. 187351 crore as on 31<sup>st</sup> March, 2012, registering 12.86% increase over the previous year.





## **Loan Issued**

Loans issued by RRBs during the year aggregated to Rs. 102162.86 crore as against Rs. 78546.55 crore in the previous year, registering a growth rate of 30.06%.

## **WORKING RESULTS**

### **Profitability**

53 RRBs earned current profit (before tax) during the year 2012-13. However, the combined profit of these RRBs stood at Rs. 3280 crore compared to Rs. 2468 crore in the previous year which was contributed by 64 RRBs (at that time number of RRBs were 82). Consequently the number of loss making RRBs decreased from 18 in 2011-12 to 11 during the current year. The combined losses posted by RRBs stood at Rs. 20.79 crore during the year as against Rs. 26.36 crore in the previous year.

The net profit earned by RRBs as a group totaled to Rs. 3260 crore during the year 2012-13 compared to Rs. 2442.23 crore in previous year.

### **Accumulated Losses**

The number of RRBs that had accumulated losses reduced from 22 as on 31<sup>st</sup> March, 2012 to 11 as on 31<sup>st</sup> March, 2013.

The aggregate accumulated losses in RRBs decreased from Rs. 1104.85 crore in 2011-12 to Rs. 1011.28 crore in 2012-13.

## **NON PERFORMING ASSETS**

With the introduction of IRAC norms as a sequel to the financial sector reforms, the RRBs have constantly attempted to reduce their non performing assets. The percentage of gross NPA which was as high as 27.84 as on 31<sup>st</sup> March, 1999, has come down to 12.63 as on 31<sup>st</sup> March, 2004. The position has, further improve to 5.14% during the year ending 31<sup>st</sup> March, 2012, however, it has increased marginally to 5.65% during the year ending 31<sup>st</sup> March, 2013 after introduction of system generated NPA concept.

The aggregate NPA in RRBs stood at Rs. 7906.75 crore as on 31<sup>st</sup> March, 2013 compared to Rs.4994.45 crore as on 31<sup>st</sup> March, 2012.

## **RECOVERY PERFORMANCE**

The recovery performance (in percentage terms) of RRBs has shown steady improvement over the last decade; however, in absolute terms the over dues have not declined. In fact, the level of over dues of RRBs has increased from Rs. 1798.71 crore as on June, 1995 to Rs.13566.97 crore as on 30<sup>th</sup> June, 2012 despite improved recovery performance in percentage terms from the level of 82.63% to 81.32% during the same period.

## **CREDIT DEPOSTI RATIO (CDR)**

Credit deposit Ratio of RRBs decreased marginally fro 64.34% as on 31.03.2012 to 66.13 as on 31.03.2013.

**Per Branch Productivity** Per Branch productivity was Rs. 1820 lakhs as on 31.03.2012 increased to Rs. 1967 lakhs as on 31.03.2013.

### **Per Employee Productivity**

Per employee productivity was Rs. 414.06 lakhs as on 31.03.2012 increased to Rs. 461 lakhs as on 31.03.2013.

Circular # 18:2013

28<sup>th</sup> May, 2013

### **26<sup>th</sup> ANNUAL GENERAL MEETING OF TRIPURA GRAMIN BANK OFFICERS' ASSOCIATION AT AGARTALA ON 25<sup>TH</sup> & 26<sup>TH</sup> MAY, 2013**

The 26<sup>th</sup> Annual General Meeting of Tripura Gramin Bank Officers' Association had been organized at the City of Agartala on 25<sup>th</sup> & 26<sup>th</sup> May, 2013 admits much enthusiasm and fanfare.

The inaugural session took place on 25<sup>th</sup> May, 2013, 6.30pm onwards. The opening song was rendered by Smt. Hansa Haldar, Member TGBOA. With the welcome addresses by Com. B.P.Saha, President the conference got underway. The formal inauguration was made by Shri Dinesh Mushahari, Chairman, Tripura Gramin Bank. In his addresses, Shri Mushahari recounted the role played by the Officers of TGB and the heroic role played by the members of the Association. Shri Anjan Kumar Ghosh, Vice-Chancellor, Tripura University in his brief but significant speech appreciated the role of Bank Officers in

development of the rural areas. The leadership of the fraternal organizations also felicitated the conference.

The officers who have retired during the period of one year were felicitated with a memento and citation.

The delegate session of the conference resumed in the morning of 26<sup>th</sup> May, 2013. Com. S. K. Bhattacharjee, General Secretary, AIRRBOF who could not reach Agartala in the evening of 25<sup>th</sup> instant attended the delegate session as Chief Speaker. At the commencement of the delegate session the newly promoted officers were felicitated by Com. Bhattacharjee by offering flower bouquets and memento. General Secretary, Com. C. K. Taran read out the General Secretary's report. The report brought out all the developments since the last meeting.

Com. Bhattacharjee in his highly narrative, informative and spirited speech touched upon all the developments. He presented an outline of the issues

before the Officers and placed plan of action. He exuded confidence that with AIRRBOF taking correct steps to clinch Pension parity in RRBs the issues shall be resolved. He called upon the members of TGBOA to extend full support to AIRRBOF.

Large number of members deliberated on the General Secretary's report. After lot of deliberation the General Secretaries' report was approved. Statements of



Accounts were also placed and approved. All other transactions of the delegate session were conducted smoothly.

Election process for the new office bearers was held. An unanimous panel was placed. Shri B.P.Saha and C. K. Taran were elected as President and General Secretary for the next term.

## FINANCIAL AWARENESS

<b>1</b>	Who are members of BRICS?	Brazil, Russia, India, China and South Africa
<b>2</b>	What is Code of Bank's Commitments to Customers?	The Code, which is voluntary, sets minimum standards of banking practices for banks to follow when they are dealing with individual customers.
<b>3</b>	What is likely to be included in the part of Code of Bank's Commitments to Customers?	Financial Inclusion.
<b>4</b>	In India, what is the proportion of people having any kind of life insurance cover?	10 Percent.



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5	In India, what is the proportion of people having any kind of non life insurance cover?	0.6 Percent
6	How much percentage of Indian population has credit card?	2 Percent
7	Which country was recently rescued from the brink of a likely banking sector default?	Cyprus
8	In which area highest number of complaints were reported to the 'Banking Ombudsmans'?	Card related complaints
9	The Financial Sector Legislative Reforms Commission (FSLRC) was headed by –	Justice (retd) B. N. Srikrishna
10	What is the recommendation of FSLRC regarding regulatory bodies?	Bodies like SEBI, the Forward Markets Commission, the Insurance Regulatory and Development Authority and PFRDA should be subsumed into a new unified regulatory agency. However, for the time being, Reserve Bank of India should not be brought under the 'unified regulator'.

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11	ING Vysya Life is not subsidiary of which company:	Exide Industries
12	According to a UN Report, how many children around the globe, under the age of five, die every day from diseases linked to unsafe water, poor sanitation and hygiene?	2,000 (24 per cent of the deaths occurring in India alone)
13	The National Manufacturing Policy, aims at enhancing the share of manufacturing in GPD to:	25 Percent within a decade
14	Market regulator SEBI has issued a framework on 'product labeling' with color coding for:	Mutual funds. A blue color coded box would indicate low risk, yellow would signify a medium risk, while brown represent schemes with high risk.
15	Who is the largest energy consumer in the world?	US, followed by China, Russia, India
16	How much food grain is to be given at subsidized price as per revised Food Bill?	5 kg per head
17	RBI has extended the deadline for mandatory use of new format cheques to:	July 31, 2013

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18	The contribution of agriculture and allied sector to the Gross Domestic Product of the country declined from 14.6 percent in 2009-10 to 14.5 percent in 2010-11 and further to 14.1 percent in 2011-12 and may fall to ___ in FY13:	13.7 percent
19	What is the name of online insurance plan introduced by SBI Life?	e-Shield
20	Urban cooperative banks to implement CBS by:	Dec 31, 2013
21	Minimum net-owned funds for money transfer business:	Rs. 50 Lakh. Further, collateral equivalent to three day's average drawings or \$50,000, whichever is higher, may be kept by the Overseas Principal in favor of the Indian Agent with a designated bank in India
22	Rs. 10 plastic notes to be issued in:	Kochi, Mysore, Jaipur, Bhubhaneswar and Shimla.

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23	Committee to suggest steps to cut transaction cost of exports	According to exporters, the quantum of transaction cost is about 7-10 percent of the total value of Indian exports. This amounts to \$15billion.
24	Panel set up to prepare blueprint for women's bank to be headed by:	M. B. N. Rao, former Chairman and Managing Director of Canara Bank.
25	International debit/credit cards to be issued only on demand and not automatically with effect from:	July, 1 2013
26	Four regulators to jointly supervise financial conglomerates are:	Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority, and Pension Fund Regulatory and Development Authority.
27	As per Bill for time-bound services to citizens approved by Cabinet, what is the penalty for not providing service in stipulated time:	Up to Rs. 50,000

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# AIRRBOF News Letter

June, 2013

The Voice of All India  
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28	Number of persons below poverty line in 2009-10	About 30%. It is based on the monthly per capita consumption expenditure (MPCE) of Rs. 673 for rural areas and Rs. 860 for urban areas.
29	Share of India's goods exports in GDP in 2011-12:	17.7% of GDP
30	Which state gives maximum wages under MNREGA:	Haryana; From April 1, the maximum daily wage of Rs. 214 has been fixed for Haryana, while Bihar, Sikkim, Tripura, Nagaland and Arunachal Pradesh will get the minimum of Rs. 135
31	The MNREGA wage rate is linked to:	Consumer Price Index for Agricultural Labour (CPIAL)
32	Who is the Secretary in the Development of Financial Services (DFS):	Rajiv Takru
33	The Deputy Governor of RBI appointed in Jan 13:	Urjit Patel.
34	Who is Chairman of 14 <sup>th</sup> Finance Commission	Dr. Y. V. Reddy

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35	What is the mandate for 14 <sup>th</sup> Finance Commission	Besides the tax-sharing formula between the Centre and the States, the panel has been mandated to look into the pricing of public utility services such as drinking water, irrigation and power and public transport so as insulate them from policy fluctuations through statutory provisions.
36	India Mortgage Guarantee Corporation is subsidiary of:	National Housing Bank (NHB)
37	Per capita availability of milk has increased to:	290 grams per day, which is comparable with world per capita availability of 289 grams per day.
38	Who has been appointed as President of Asian Development Bank Board?	Takehiko Nakao
39	Which bank has discontinued Free Accident Insurance recently?	SBI will discontinue a free accident insurance cover given to its home and car loan customers from July, 2013.

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<b>40</b>	Direct Benefit Transfer Scheme will be expanded to how many district from July, 2013	78
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## PRESS CORNER

### CAUTIOUS RBI CUTS REPO RATE 25 BPS, BUT BANKS MAY NOT RELENT

In line with its cautious stance, the Reserve Bank of India today pared the repo rate by 25 basis points to 7.25 per cent and left the cash reserve ratio unchanged at 4 per cent.

As the economy slowed and the WPI inflation ebbed, the industry had expected the central bank to not just cut the repo rate (the interest rate at which it lends short-term funds to banks) but also pare the CRR (the slice of deposits that banks park with the RBI).

The disappointment was reflected in the stock market, with Sensex falling 160 points at 19575.64.

Today's rate cut is no cheer to the common man either as banks are unlikely to cut lending rates immediately. Deposit rates are likely to stay at current levels for some more time.

Asked if banks will cut lending rates, RBI Governor D. Subbarao said: "We can only do so much...What we gathered from banks is that transmission (lending rate cuts) will take place in the next 3-6 months. It will be transmission not just of the cut this morning but of all the cuts over the last nine months."

The Governor said monetary policy action, by itself, cannot revive growth. It needs to be supplemented by efforts towards easing the supply bottlenecks, improving governance and stepping up public investment, alongside continuing commitment to fiscal consolidation.

On why the CRR was not cut, Subbarao said there is considerable buffer liquidity in the form of excess investment in government securities, unutilised export credit refinance, and access to marginal standing facility with the banks all aggregating to Rs 5 lakh crore that can be accessed.

But a riposte came from SBI Chairman Pratip Chaudhuri, who said, “There is nothing to transmit. There is no scope to cut rates. There isn’t much credit demand from the corporate side. Home and car loans continue to be strong and till such time that we have enough deployment there, we do not think there is any compulsion to cut rates.”

On inflation, the RBI’s key worry, the Governor said threats come from demand-supply imbalances (in food and infrastructure segments), the correction in administered prices (of diesel and coal) and pressures from increases in minimum support price of farm commodities. Any financing of the Current Account Deficit could lead to a swift reversal of the policy stance, he cautioned.

Considering the demand-supply balance, the outlook for commodity prices, and the forecast of a normal monsoon, the wholesale price index inflation may be range-bound at 5.5 per cent in 2013-14.

The RBI has projected baseline GDP growth for 2013-14 at 5.7 per cent. Economic activity is expected to show only a modest improvement. The outlook for industrial activity remains subdued, with the pipeline of new investment drying up and existing projects stalled by bottlenecks and implementation gaps.

**Source –The Hindu Business Line May 4, 2013.**



## **DESIGN BANKING PRODUCTS FOR RURAL PEOPLE: NABARD CHIEF**

With tiny landholdings in rural India growing, there is a need to develop banking products for farmers that will help in capital formation, according to the Nabard Chairman.

“Rural and urban banking require different kinds of products and processes,” Prakash Bakshi, Chairman, Nabard (National Bank for Agriculture and Rural Development), said after inaugurating the new campus of Bankers Institute of Rural Development (BIRD) here on Friday.

BIRD is an autonomous training institute of Nabard.

Referring to fragmentation of landholdings in the country, he said that the farmland in the country, which was around 141 million hectares four decades ago, has remained almost the same.

However, the number of farmers has increased from seven crore then to 14 crore now.

This means that the landholdings have come down.

Stating that more than 65 per cent of farmers own less than one acre of land, he said they cannot own any agriculture implement or take up any projects.

He said that there would be shortage of foodgrains in 20 years' time.

It will not be because of the lack of land, but because of the tiny landholdings.

In such a situation, there is a need to develop different kinds of banking products for rural people.

These should lead to capital formation.

Considering this, Nabard took the lead in launching SHG (self-help group) model two-three decades ago.

Nabard has been promoting JLG (joint-liability group) format for the past four-five years, he said.

**Source – The Hindu Business Line May 20, 2013.**

### **CHIDAMBARAM TO GET CRACKING ON FINANCIAL SECTOR REFORMS**

Passing laws may have become difficult, but the Government is committed to putting in place a new financial regulatory system that will serve the nation well for at least the next 50 years, said Finance Minister P. Chidambaram.

A complete revamp of the financial sector laws in the current political milieu may be tough, but there are several elements of the Financial Sector Legislative Reforms Commission (FSLRC) report that can be operationalised at the earliest, he said.

Detailed consultations before issue of any new regulation and conducting basic cost-benefit analysis are recommendations that can be implemented right away, Chidambaram said, addressing the third national seminar on 'India Financial Code' organised by the Institute of Company Secretaries of India (ICSI)..

Budget 2010-11 had proposed the setting up of FSLRC to revamp the financial sector laws so as to bring them in line with the requirements and expectations of the sector. Justice (Retd) B. N. Srikrishna was asked to head the FSLRC,

comprising ten experts from the fields of law, economics, finance, regulation and markets.

The panel, which was set up in March 2011, submitted its report to the Finance Minister in March this year. Stating that it was not easy to pass laws in India, Chidambaram pointed out this has become even more complex with coalitions and “legitimisation of obstruction as a parliamentary tactic”.

He highlighted the case of the Companies Bill, which even after passage by the Lok Sabha is hanging fire with the Rajya Sabha yet to approve it.

Careful analysis of every sentence of existing laws and every section of the proposed Indian Financial Code is necessary before any large scale repeal of existing laws can be agreed upon, Chidambaram added.

**Source – The Hindu Business Line May 23, 2013.**



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