



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

Vol - XXIII

December, 2016  
**AIRRBOF News Letter**



SILIGURI

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

No. 12

## **EDITORIAL**

### **BATTLING BLACK MONEY**

After nearly two weeks of demonetisation, it is clear that its immediate effects have been more unpleasant than what the Government had perhaps anticipated. The informal sector in rural and urban India (proprietary and partnership enterprises employing less than 10 workers) accounting for 45 per cent of the GDP and 80 per cent of total employment, has been badly hurt by the withdrawal of 86 per cent of the value of currency in circulation. Rabi sowing and kharif marketing and harvesting operations have been hit. At stake are the livelihoods of over 400 million people. Not surprisingly, economists and market analysts expect GDP growth to contract by 50 basis points or more this fiscal — owing to a collapse in the circulation of currency in a cash-dominated economy. The point here is not to write off the strike on black money, but to ensure that this pain to ordinary citizens does not last long and — what's most important — black money recedes into insignificance. The second cannot be achieved by a single stroke. It would require a multi-pronged approach that attacks not just the stock of black money (in this case, cash has been the target to the exclusion of other forms of hoarding such as property, bullion and financial instruments) but also its flow. Black money is an integral aspect of activities concerning elections, realty, mining and bullion and even capital markets. Without looking at such flows — the Centre has made a start in the case of coal mining and capital markets, by introducing auctions and amending double taxation avoidance pacts with Mauritius and Cyprus — we may soon be back to square one. It is crucial to note that black money flows are a product of cumbersome procedures and high taxes, and cannot be countered by policing alone. The Centre should not lose sight of the fact that an economy with less regulatory clutter is cleaner and more efficient, as it seeks to rewrite the rules in certain sectors.

Realising that black money will not disappear in a single stroke, the Centre has announced a drive against benami holdings. While demonetisation has already brought about a welcome correction in the distorted realty sector, a clean-up should encompass the shady secondary market. The Real Estate (Regulation and Development) Bill focuses on one aspect — time-bound, transparent regulations, which should reduce bribery and make it easier for bonafide entrepreneurs to enter the fray. But overhaul of the secondary market calls for a relook at income tax, stamp duty and registration laws across States.

In order to bolster popular support, it is crucial that the Centre implements electoral reforms.

The loopholes in the Representation of the Peoples Act, which include not questioning donations under Rs.20,000 and allowing exemptions to a candidate's expenditure limits, among other things, must be addressed. The Centre should not be seen as getting after the 'small fish' alone. Only then will the surgical strike against cash hoarders seem worth it for all.

---

**All India RRB Officers' Federation**

**"JGGP HOUSE", Raja Rammohan Road, Hakimpara, Siliguri – 734001(West Bengal)**

**E-MAIL: [555airrbof@gmail.com](mailto:555airrbof@gmail.com)/[shyamalairrbof@gmail.com](mailto:shyamalairrbof@gmail.com)**

**WEB SITE: <http://www.airrbof.org>**

## **EXCERPTS FROM AIRRBOF CIRCULARS**

Circular # 74:2016

10<sup>th</sup> November 2016

### **FOUNDATION CONFERENCE OF CHHATTISGARH STATE UNIT THE YOUNGEST UNIT - EXUDING YOUTHFULNESS**

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 62 dated 9<sup>th</sup> November, 2016.

The Foundation Conference of the Chhattisgarh State Unit of AIBOC was held on 06.11.2016 at "Shaheed Smarak Bhawan", Raipur in a befitting manner. The occasion was graced by Confederation Leaders namely Com. Y. Sudarshan, President, Com G. V. Manimaran, and Com Debashish Ghosh, Senior Vice Presidents. Undersigned also had the pleasure of witnessing the organization getting another stronger link. Com. Sanjeev Mishra and Com Raj Kumar Jodhani, the leaders of the parent undivided M.P. & Chattisgarh State Unit were the special guest to the foundation conference.

A colorful one and half kilometer long procession started from Hotel Mahendra to the Conference venue "Shaheed Smarak Bhawan" at 11:00 AM, wherein about 500 officers participated ranting slogans highlighting the issues being pursued by the Confederation. The procession was led by All India Leadership and went through the main market of the Raipur. The path was beautifully decorated with the banners and posters bearing slogans and pictures of the top leaders. The procession was received at the gate of the venue by another set of 500 officers led by the State leadership, amidst thunderous slogans, into the aesthetically decorated hall.

After the dais formation, 2 minutes silence was observed as mark of respect to Martyrs who sacrificed their lives for the nation. Then the leadership on the dais was requested to formally inaugurate the function by lighting the Lamp. Formal welcome was extended to the guest by presenting floral bouquets and Shawls.

Com. S.K. Khajanchi, President of the State committee, welcomed the guests and members from various Affiliates and fraternal organizations. In his welcome address Com. Khajanchi apprised with the geographical conditions and brief history of Chhattisgarh and also the role of the PSBs in the development of the State.

Thereafter, Com Y. Sudarshan, President AIBOC in his Inaugural address appraised the history of AIBOC and its struggle through long journey of 31 years. He gave a detailed account of the saga of struggle of the founding fathers of the Confederation in uniting the officers and establishing the largest trade union organization of Officers in the world. He also dealt at length the efforts being made by the Confederation to draft a charter of demands so as to clinch a better deal in the XI<sup>th</sup> Bipartite settlement falling due in November 2017.

### 3 | Page

Comrade G V Manimaran, Sr. Vice President of the Confederation spoke at length about the evil designs of the Govt. in painting PSU Banks in poor light due to provisional losses / lower profits since last fiscal. He also raised the issue of PSU Banks being forced to pay income tax when the Banks are not able to show profits due to stringent and progressive provisional requirements.

Comrade Debasis Ghosh, another Sr. Vice President present emphasized the importance of following the Banks' laid down system and procedure and to avoid short cut in working to protect the interest of the Bank as also to protect oneself from any disciplinary action in the event of any delinquency.

Com Sanjeev Mishra and Com R.K. Jodhani spoke about history and working of parent unit i.e. MP state and strengthening of newly formed state committee for effective functioning of AIBOC. Both conveyed their good wishes and offered full support to the leadership of the newly formed committee.

Com. Vijay Yechuri, Secretary, Chhattisgarh State committee in his power packed address emphasized the need to evolve a policy for officers working in Bastar region, as all banks are in an opening spree of new branches and needs to formulate certain measures to make the quality of life better for them. In this regard, it was pointed out that there should be a definite time frame for transfer of officers back to their choice centre / region etc. after serving in Bastar region. He urged the leadership to pursue enhancement in Insurance coverage in Naxal affected areas to a minimum of Rs. 50 lacs. In order to incentivize officers to serve in Bastar region, disturbed area allowance be introduced and a demand be made in the ensuing wage negotiation charter of demands, he said.

After all the speakers gave the informative and thought provoking addresses, it was the turn of your General Secretary who described the Economic scenario of the country both at macro and micro level and challenges thrown before us. He emphasized on the formation of district unit and vibrant functioning of the organisation at every level. He wished the new State committee to become a model unit in terms of unity, solidarity and strength amongst all. He was highly impressed by the presence of young comrades including large number of lady members. His deliverance of more than 100 minutes covered all ongoing important developments in the banking industry. The audience gave a standing ovation with thunderous applause. The pin drop silence maintained by more than 1200 members sitting at a stretch for five hours upto 4 p.m. speaks volumes about the commitment of the cadre.

After Vote of thanks proposed by Com. Pradeep Moses Singh, the meeting was succeeded by a press conference which had more than 40 reporters from electronic and print media. The interviews were published in prominent daily papers like Dainik Bhaskar, The Hitvada, Nav Bharat, The Pioneer, Nai Duniya, Sun Star besides being telecasted by local TV channels.

Delegate session followed the lunch break and Com. Naresh Meshram, Returning officer declared the result of election. It is pertinent to mention here that all the office bearers were unanimously elected with total consensus. Among others Com. Shailendra Kumar Khajanchi (PNB) elected as President, Com. Vijay Yechuri (SBI) as Secretary and Com. K K Shivkumar (PNB) as treasurer. There after the house was opened for deliberation. The under signed answered all the queries from members for more than 45 minutes. The State committee felt honoured by the participation of central leaders of AIBOC who enlightened the young members, who had so eagerly waited for this momentous occasion.

The success of the conference was reflected in the number of members from all the affiliates which were around 1200 and out of which 70% were youngsters including lady comrades. The programme ended with National Anthem. Members kept discussing about grandeur of the function which had the mood of festivity. The Unique event will remain live in the minds of all those present and would be remembered for years to come.

Circular # 75:2016

10<sup>th</sup> November 2016

**INSTRUCTIONS TO OPEN BANK BRANCHES ON 12<sup>TH</sup> & 13<sup>TH</sup> NOV., 2016  
COMPENSATION TO OFFICERS FOR WORKING ON HOLIDAYS -REPRESENTATION MADE**

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 63 dated 10<sup>th</sup> November, 2016.

In one of the biggest and boldest step to check Black Money and to curb financing of terrorism and cross-border monetary transactions of counterfeit currency, the Government decided to cancel the legal tender character of the High Denomination bank notes of Rs. 500/- and Rs. 1,000/-denominations issued by RBI w.e.f. mid night of 8<sup>th</sup> November, 2016. The announcement was made to the Nation by the Hon'ble Prime Minister, late in the evening on 8<sup>th</sup> November, 2016. Though the move is certainly good but only time will prove whether stated aims – curbing counterfeit paper money and bringing more black money into the open – will be realized.

With the banks closed on 9<sup>th</sup> November and ATMs shut for two days, the day to day life of common man was certainly disrupted. The Banks have since been instructed to open their Branches on 12<sup>th</sup> and 13<sup>th</sup> November, 2016 which happen to be second Saturday and Sunday and are legitimate holidays for the Bank employees. As a responsible trade union organization, we decided to extend full co-operation in implementation of the policy guidelines of the Government to avoid inconvenience caused to the general public and request all our members to extend their full co-operation. There have been official instructions for extending the public dealing hours also but with limited amount of currency available, this appears impracticable.

Though we are willing to sacrifice our own comforts for the sake of convenience of common man, but at the same time, we cannot compromise with our own legitimate rights. Our members who are willing to shoulder big responsibilities and face accountability also need to be fairly compensated. Besides, many members who had to appear for CAIIB examination scheduled for 13<sup>th</sup> November, 2016, had also been approaching the undersigned.

Our Confederation immediately took steps in this direction. The undersigned, without losing any time, sent a message last evening to the Chairman, IBA requesting his personal indulgence to ensure either exemption of Officers from attending the Office on Sunday or defer the exams scheduled on that day. He was also requested to advise all Banks to pay compensation to Officers on lines with advice sent by RBI to Banks to pay compensation to Officers called on holidays/Sundays for CTS. The undersigned once again contacted him over telephone to pursue the matter. Today, we have sent letters to RBI Governor and the Secretary, DOFS, MOF for issuing instructions to all Banks to compensate the Bank officers.(copies of the letters have been attached with the circular for your information and records).

We are glad that part of our endeavor has been successful. Indian Institute of Banking & Finance has postponed the exam scheduled for 13th November, 2016. Meanwhile, we request General Secretaries of all our Affiliates to pursue the matter of compensation at their own level with the Management of their respective Banks. The undersigned is personally pursuing the matter of compensation with the concerned authorities and developments, if any, in this regard would be advised.

Circular # 76:2016

11<sup>th</sup> November 2016

**STRIKE NOTICE DATED 9<sup>TH</sup> NOVEMBER, 2016  
ISSUED BY SOCALLED UNITED FORUM OF RRB UNIONS**

We have written the following letter to Ms. Anjuly Chib Duggal, Secretary, Dept. of Financial Services, Govt. of India, Ministry of Finance on the captioned subject. We reproduce the letter for your information & necessary action.

We beg to refer to the Strike Notice dated 9<sup>th</sup> November, 2016 issued under the banner of so called United Forum of RRB Unions. It is actually a call given by AIRRBEA and AIGBEA which is a combine of Trade Unions of Workmen Employees. We would make it clear that the only legitimate Officers Organisation in RRBs, All India RRB Officers' Federation (AIRRBOF), is not a party to the strike call from 7<sup>th</sup> to 9<sup>th</sup> December, 2016. Similarly the Workmen Unions, All India Gramin Bank Employees Congress (AIGBEC), All India Gramin Bank Workers Organisation (AIGBWO) and National Confederation of RRB Employees (NCRRE) are also not part of the strike call. It may please be understood that any discussion, understanding or agreement with the so called UFRRB shall not be acceptable to the majority of officers and workmen working in RRBs who are members of the Apex Trade Unions in RRBs not participating in the Strike.

Please take appropriate action accordingly.

Circular # 77:2016

14<sup>th</sup> November 2016

**DEMONETISATION OF HIGH VALUE CURRENCY NOTES -  
CONSEQUENT WORKING OF OFFICERS ON HOLIDAYS & SUNDAYS**

We have written the following letter to Shri Girish Chandra Murmu, Additional Secretary, Dept. of Financial Services, Govt. of India, Ministry of Finance on the captioned subject. We reproduce the letter for your information & necessary action.

We welcome the declaration of the Hon'ble Prime Minister of India to demonetize the high denomination currency note of Rs. 1000/- & Rs. 500/-. We firmly believe that this a right and bold decision of by our beloved Prime Minister and all need to support the move.

You would kindly appreciate that officers of RRBs work in mostly rural and remote centres of the country. Due to lack of infrastructure the RRB officers face serious challenge and risk in functioning including carrying of cash mostly by Public conveyance even without any security. RRB Branches are manned mostly by one or two officers and they have shown their exemplary ability to dispense banking services in remote rural areas in the present situation. Consequent to the declaration of 2<sup>nd</sup> Saturday and Sunday on 12<sup>th</sup> & 13<sup>th</sup> November, 2016 respectively as working days, the officers worked on these days also.

You may also appreciate that while workmen staff are entitled to over time @ 200% of their wages, the officers did not get any facility for working on holidays and Sundays. We, therefore, request you to please issue suitable instruction to all RRBs to make monetary compensation or compensatory off to all officers for working on Holidays & Sundays on all occasions.

We look forward to your early action.

Circular # 78:2016

15<sup>th</sup> November 2016

**STAPLED MONETIZATION - CLEAN UP DRIVE HARDSHIPS  
OF EMPLOYEES REALIZED BY GOVERNMENT AND MANAGEMENT**

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 66 dated 15<sup>th</sup> November, 2016.

Please refer to our Circular Nos. 2016/64 dated 12.11.2016 and 2016/65 dated 14.11.2016 whereby we highlighted the inconveniences being faced by the Bank employees and Officers due to extra ordinary circumstances under which "WE", the Bank employees, are extending services to the common man, without caring for our family responsibilities and personal health. These issues have been continuously taken up by us and pursued with IBA and Officials of DFS.

We acknowledge with gratefulness the appreciations showered by our Hon'ble Prime Minister Shri Narendra Modi and also by our Finance Minister Shri Arun Jaitley in public meetings as well as through their communications. Its impact was felt by all of us through the Print and Electronic media which also started highlighting the role of Banks and its employees. We are also pleased to advise you that Department of Financial Services has, through its communication, dated 14.11.2016 once again acknowledged that Bank employees are working strenuously and doing a commendable work in implementing the decision of demonetization. Instructions have also been given to IBA to ensure security and safety of employees particularly that of women employees. IBA has also been advised to make arrangements for food and conveyance for employees working in late hours (copy of the DFS communication attached).

On our contacting IBA, we have been informed that necessary guidelines have already been issued to all the member banks in this regard. We request all our Affiliates to ensure that these guidelines are meticulously implemented in their respective Banks. With regard to compensation for working on holidays also, many Banks have already taken a decision. Though we are pursuing the issue of uniform compensation in all the Banks, we once again call upon all our Affiliates to ensure that our Officers are compensated appropriately for attending Office on Sundays/Holidays.



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

D.O. No 15/AS(B)/2016

गिरीश चन्द्र मुर्मु, भा.प्र.से.  
अपर सचिव  
**Girish Chandra Murmu, IAS**  
Additional Secretary



भारत सरकार  
वित्त मंत्रालय  
वित्तीय सेवाएँ विभाग  
जीवन दीप भवन, तीसरी मंजिल  
१०, पार्लियामेन्ट स्ट्रीट,  
नई दिल्ली-११०००१  
Government of India  
Ministry of Finance  
Department of Financial Services  
Jeevan Deep Building, 3rd Floor,  
10, Parliament Street,  
New Delhi-110 001  
Tel. : +91-11-23748773 Fax : +91-11-23748774  
E-mail : as-dfs@nic.in

November 14, 2016.

Dear *Shri Rishi,*

The Government's decision to demonetize Rs. 500 and Rs. 1000 notes has been accepted well by the citizens of the country and the banks and financial institutions have done commendable work in implementing the same. The banks and the employees are working strenuously to cope with the situation and hope that they will continue to do the same. However, following steps may be considered:-

1. In the event of extra business hours implemented to cope up with the situation, banks may require to make deployment plan of staff on shift basis so that the same person does not work for continuous long hours.
2. Banks may plan and support the officers and employees working in late hours with the arrangements for food and conveyance particularly the safety and security of women employees.
3. Additional infrastructure like more terminals, separate arrangement for cash, exchange and dispensation may be implemented and services of retired persons may also be taken so that the pressure of existing staff may ease and a larger customer base is satisfied.

You are requested to look into the above particularly employment of retired bank staff and payment of remuneration as discussed above and instruct the banker suitably at the earliest.

With regards.

Yours sincerely,

(G.C. Murmu)

Shri Rajeev Rishi,  
Chairman, IBA  
World Trade Centre Complex,  
Cuffe Parade,  
Mumbai - 400 005.

Circular # 79:2016

17<sup>th</sup> November 2016

**COMPENSATION FOR WORKING ON HOLIDAY ON 12<sup>TH</sup> &  
SUNDAY ON 13<sup>TH</sup> NOV. 2016 AND OUT OF POCKET EXPENSES  
FOR DINNER W.E.F. 10.11.2016 TO 19.11.2016 (EXCEPT 14.11.2016)**

We have written the following letter to the Chairmen of all RRBs on the captioned subject. We reproduce the letter for information & necessary action.

You may kindly appreciate that officers of your RRB had done yeomans service to serve customer after the declaration of demonetisation of high denomination notes of Rs. 1000/- & Rs. 500/- by our Hon'ble Prime Minister. The customers could get little respite due to the unstinted efforts of the officers. All the officers worked till late evening and on Holiday on 12<sup>th</sup> & Sunday on 13<sup>th</sup> Nov. 2016. In order to compensate their tremendous dedication the officers need to be paid out of pocket expenses as under:

- (i) Rs. 3000.00 (except those officers who are on leave) for working on 12<sup>th</sup> & 13<sup>th</sup> Nov. 2016.
- (ii) Rs. 300/- per day from 10.11.2016 to 19.11.2016 (except 14.11.2016).

It may please be noted that some of the RRBs like Gramin Bank of Aryavart had already issued circular to make payment as per modalities stated by us. Kindly issue instructions in the line suggested by us at the earliest.

Circular # 80:2016

19<sup>th</sup> November 2016

**DEMONETISATION OF HD NOTES – HUGE ACCUMULATION OF  
OLD HD NOTES AT BRANCHES OF RRBs – CONSEQUENT FINANCIAL LOSS**

We reproduce our letter addressed to the Addl. Secretary (FS), Govt. of India & the Chairmen of all RRBs on the captioned subject for information & necessary action.

“You may kindly appreciate that subsequent to demonetisation of HD Notes of Rs. 1000/- & Rs. 500/- customers of different Branches of RRBs are depositing cash of such denomination. RRBs having no own currency chest they are not in a position to deposit such Notes in other PSBs including their Sponsor Banks as they had refused to accept HD Notes of other Banks due to alleged scarcity of space. Consequently such notes are being kept idly at Branches of RRBs. While RRBs have to pay interest to customers they are earning no interest causing great financial loss.

You are, therefore, requested to please advise Sponsor Bank to accept HD Notes RRBs so that RRBs do not suffer from space crunch towards keeping such HD notes as well as earn legitimate interest”.

“We enclose our letter written to Addl. Secretary (FS), Govt. of India endorsing copy to the CGM in-charge, FIDD, Reserve Bank of India on the captioned subject.

You are requested to please take up with all concerned authorities so that take cash in the nature of HD Notes of Rs. 1000/- & Rs. 500/- can be deposited in the currency chest Branches of PSBs so that financial loss to the RRBs do not accrue”.

Circular # 81:2016

21<sup>st</sup> November 2016

**ARRANGEMENT OF CASH FOR DISBURSEMENT TO FARMERS  
UNDER KCC IN DIFFERENT BRANCHES OF REGIONAL RURAL BANKS**

We reproduce our letter addressed to the Shri Shaktikanta Das, Secretary, Dept. of Economic Affairs Govt. of India, Ministry of Finance endorsing copy to the Governor, Reserve Bank of India on the captioned subject for your information & necessary action.

We would like to bring to your kind notice that different Branches of RRBs spread across the length & breadth of the country are the biggest purveyors of crop loan finance to farmers under KCC. In view of the fact that Branches of RRBs are suffering serious crunch of cash, subsequent to demonetisation, the disbursement of crop loan to farmers was affected. RRB Branches are not getting sufficient small denomination notes by the currency chest Branches of Sponsor Bank causing slowing down of crop loan. The officers working in Branches are facing the wrath of farmers for no fault of theirs due to stoppage or slowing down of crop loan disbursal in the peak Rabi season.

Kindly advise the Sponsor Bank of RRBs to open a special window for cash disbursement specially for the cash need of farmers on an urgent basis. Your early action is solicited.

Circular # 82:2016

22<sup>nd</sup> November 2016

**HEARING OF SLP(C) 39288 OF 2012  
(PENSION CASE) BY THE HON'BLE SUPREME COURT**

Even though SLP (c) No. 39288 of 2012, popularly called as Pension Case, before the Hon'ble Supreme Court of India was listed as regular item for final hearing before the Hon'ble bench headed by Justice J.S. Kehar several times it did not come up for hearing since our last Central Committee Meeting held at Raipur on 28<sup>th</sup> May, 2016. Union of India had in the meantime submitted an affidavit before the Apex Court Bench subsequent to the report submitted by NABARD Committee headed by its Chairman. However, the report was not officially provided to all the parties contesting the SLP filed by Union of India.

The Pension Case was listed as item no. 7 before Court No. 2 of the Hon'ble Supreme Court coram Justice J.S. Kehar, Justice A.K. Mishra & Justice K.M. Khanvilkar. Our Federation was duly represented by our Counsels assisted by our Senior Leaders. Com. Makhija & Com. Pal. The Hon'ble Court enquired whether any settlement could be reached between the concerned parties in the case for Payment of Pension. The counsel for Union of India submitted before the Court that they are ready to pay Pension and accordingly submitted the affidavit based on the NABARD Report. The counsel for our Federation as well as that of other parties submitted that the proposal of the Union of India for payment of Pension is conditional and, therefore, cannot be accepted. Our counsel also pointed out that we have submitted IA No. 9 which proposed a viable Pension proposal which should be duly replied to by Union of India. The Hon'ble Court assured our counsel that he shall be duly heard in the process. On being confirmed that Union of India did not submit the Report of the Pension Committee at NABARD Level to the opposing parties to the SLP, the Hon'ble Court directed that within one week's time the Report should be supplied to all the concerned parties. Our Federation as well as other contesting parties, the Hon'ble Court directed, shall submit their rejoinder within four weeks' time.

The Hon'ble Court directed that process of regular hearing of the Pension Case shall commence thereafter. We trust that a vista have opened for Payment of Pension to all the employees & officers of RRBs towards Parity in Pension. AIRRBOF shall spare no efforts and engage reputed Senior Advocate of the Hon'ble Supreme Court to argue our case.

## **PRESS CORNER:**

### **60-DAY REPAYMENT RELIEF IS FOR LENDERS, NOT A PAYMENT HOLIDAY FOR BORROWERS**

The RBI on Monday provided lenders — banks, non-banking finance companies and microfinance companies — a breather, by relaxing NPA recognition norms by 60 days, for payments due between November 1 and December 31. While this will offer some leeway to lenders on the provisioning front, it does not imply a 60-day holiday for borrowers to pay their dues. Borrowers may still incur additional interest and penalty on account of delay in payment of their EMIs.

Currently loans (in case of banks) where borrowers have defaulted in their payments for 90 days or more, are classified as NPAs.

The RBI's notification on Monday implies that the cut-off norm for NPA recognition has been extended to 150 days, for payments due between November 1 and December 31. The current norm practised across NBFCs varies from 90 days to 150 days (though all are mandated to adopt a 120-day norm by March 2017).

The relaxation on loan classification will offer respite to lenders on the provisioning front.

The RBI's exemption is aptly applicable in the case of small borrowings — working capital limits with banks where the sanctioned limit is Rs. 1 crore or less and term loans of up to Rs. 1 crore.

At the system level, of the total outstanding loans of banks as of March 2016, loans with credit limit of upto Rs. 1 crore constituted about 35 per cent (in value). In terms of accounts, the RBI's leeway covers 99 per cent of the total number of bank loan accounts. In case of NBFCs and HFCs, as the average loan ticket size is low, the RBI's relaxation will apply to most borrower accounts.

Does this mean that nearly all borrowers can delay their payments by 60 days?

The provisioning relaxation for lenders has been misinterpreted as a payment holiday for borrowers.

“The RBI has not stated that lenders have to defer collections. All that the RBI is stating is that in case of overdue accounts in this period, we need not set aside additional provisions for the short term. In case of borrower difficulty to make the payment, MFIs are voluntarily deferring the payment without any fees or additional charges,” explains Rajeev Yadav, Chief Executive Officer, Disha Microfin.

TT Srinivasaraghavan, Managing Director, Sundaram Finance, reiterates the same point stating that the circular is intended for lenders and not for borrowers.

---

**All India RRB Officers' Federation**

**“JGGP HOUSE”, Raja Rammohan Road, Hakimpara, Siliguri – 734001(West Bengal)**

**E-MAIL: [555airrbof@gmail.com](mailto:555airrbof@gmail.com)/[shyamalairrbof@gmail.com](mailto:shyamalairrbof@gmail.com)**

**WEB SITE: <http://www.airrbof.org>**

“Only some sections of borrowers have been impacted by the cash crunch and may not be able to service their payments. So, the RBI has given lenders a little leeway for recognising such delinquencies. It is not a loan waiver scheme,” says Srinivasaraghavan.

According to the contractual arrangement, lenders can continue to charge interest on the delayed payment.

According to a clarification note put out by Microfinance Institutions Network (MFIN) — a self-regulatory organisation that regulates NBFC-MFIs — the RBI’s circular is a relaxation for loan classification and has been misunderstood as deferment of payment of loan repayment instalments. The note clarified that the normal rate of interest as per the original loan agreement, will apply to all delayed payments.

Small borrowers who repay their dues through cash have been impacted the most and the leeway is required more from the point of view of ease of repayment. Banks are allowed to collect old Rs. 500 and Rs.1,000 notes from borrowers, but NBFCs and MFIs have not been allowed to do so.

“We have made representations to the RBI to allow us also to accept these notes. This would have resolved some of the operational issues which are being faced by our customers. All our customers are KYC-compliant in any case,” says Yadav.

“Borrowers are allowed to repay bank loans with old notes. This option should also be made available to NBFCs as the money would be going into the loan account with requisite PAN details in any case. Ultimately, the money will come into the system,” adds Srinivasaraghavan.

**Source – The Hindu Business Line, 23<sup>rd</sup> November 2016**

### **CURRENCY BAN DONE WITHOUT ANY PREPARATION, RUES BANK OFFICERS’ BODY**

Lack of preparation before the withdrawal of popular currency from circulation has caused trouble and inconvenience for bank employees and the common man alike, Thomas Franco,

Senior Vice-President, All India Bank Officers’ Confederation, said.

Launching a scathing attack on the government and the RBI for lack of preparation, Franco said the situation was not comparable to the demonetisation of 1978. Then, the Janata Party coalition demonetised Rs. 1,000, Rs. 5,000 and Rs. 10,000 notes to curb black money.

The value of Rs. 1,000 was very high then and therefore, it affected only a small section of the people.

Had the government started printing Rs. 500 notes before the announcement of demonetisation, as it did in the case of Rs. 2,000 notes, the current currency crunch could have been avoided, he pointed out.

He compared the demonetisation decision unfavourably with the secrecy with which nationalisation of banks was implemented in 1969.

“That was also kept secret. But the Department of Finance, Finance Ministry, RBI and Law Ministry were involved. They discussed all that could happen and made preparations for a month,” Franco said, citing details from a book written by DN Ghosh, former Chairman of SBI, titled *No regrets* .

---

**All India RRB Officers’ Federation**

**“JGGP HOUSE”, Raja Rammohan Road, Hakimpara, Siliguri – 734001(West Bengal)**

**E-MAIL: 555airrbof@gmail.com/shyamalairrbof@gmail.com**

**WEB SITE: <http://www.airrbof.org>**

He added, "At that time, they had anticipated resistance from political parties, Parliament and bank managements too, who would go to court and so on. That was during Mrs Gandhi's rule and Morarji Desai was Deputy Prime Minister. He was opposed to this... Still they planned it in such a way.. they waited for Desai to submit his resignation, he did it on July 18. On July 19, they passed the Ordinance. Just after signing the Ordinance, VV Giri resigned. They planned all this in total secrecy and executed it."

He said the current demonetisation too, could have been planned in a better way and executed in total secrecy. "They could have at least pumped in adequate number of Rs. 100 denomination notes. Instead, today they are bringing back soiled notes, which we had surrendered to the RBI," he said.

**Source – The Hindu Business Line, 24<sup>th</sup> November 2016**

#### **'SBI, ASSOCIATE BANKS MERGER ON TRACK'**

State Bank of India Chairman Arundhati Bhattacharya on Thursday said that the merger of associate banks with SBI is on track and remains unaffected because of the demonetisation move.

"There is a separate team working on this and they are not into demonetisation exercise," she told reporters in Coimbatore.

She said the demonetisation exercise has impacted branch working. "But this has not impacted any other team working alongside. So the merger exercise is on track. We have to receive the Government approval, there are several steps along the way. Once approved, we will come together," she said, unwilling to commit on a timeline.

The SBI chief is in the city to take part in a leadership summit titled "Insight – The DNA of Success", organised by Isha Leadership Academy.

**Source – The Hindu Business Line, 25<sup>th</sup> November 2016**

#### **FLUSH WITH DEPOSITS, BANKS LEND TO RBI UNDER REVERSE REPO, INVEST IN G-SECS**

The Centre's demonetisation move has left banks flush with deposits. With credit offtake remaining sluggish, where are banks deploying this sudden bounty?

According to data put out by the RBI, banks have been lending excess funds to the RBI through the reverse repo option. Also, data from the Clearing Corporation of India (CCIL) show that PSU banks have bought (net) around Rs. 24,600 crore of government securities in the week ended November 18. They had bought around Rs. 20,000 crore of G-Secs in the entire month of October.

Banks can essentially borrow money for the short term under the liquidity adjustment facility (LAF). Currently, banks can borrow up to 0.25 per cent of their deposits under the fixed repo window and 0.75 per cent under the term repo (variable) window. Alternatively, banks can also lend their excess funds to the RBI and earn interest on them through the reverse repo option.

Following the announcement of the demonetisation scheme by the Centre on November 8, there has been a sharp jump in the funds that banks have been lending to the RBI under the reverse repo option — a chunk under the variable window.

---

**All India RRB Officers' Federation**

**"JGGP HOUSE", Raja Rammohan Road, Hakimpara, Siliguri – 734001(West Bengal)**

**E-MAIL: [555airrbof@gmail.com](mailto:555airrbof@gmail.com)/[shyamalairrbof@gmail.com](mailto:shyamalairrbof@gmail.com)**

**WEB SITE: <http://www.airrbof.org>**

The fixed reverse repo activity, after clocking a daily average of about Rs. 4,000-6,000 crore in the past couple of months, suddenly spiked to Rs. 30,000-50,000 crore in the two to three days following demonetisation.

Activity subsequently shifted to the variable reverse repo window, where essentially the price is determined through auctions. Over the past two weeks, banks have been lending funds from around Rs. 60,000 crore to over Rs. 1,50,000 crore under the variable reverse repo window across various tenures.

Banks have earned good interest on these funds too. While the fixed reverse repo rate is at 5.75 per cent, the cut-off rate at the reverse repo auctions have been around the 6.2 per cent mark. This is not altogether surprising given that the RBI wants to ensure that the key policy rate is the operational rate. Since the April policy, the system has moved from deficit to a neutral liquidity regime.

In the current scenario, as liquidity is more than ample and banks are rushing to lend rather than borrow funds from the RBI, the reverse repo is bound to be close to the repo rate. For banks, lending money for the short-term to the RBI at an attractive rate of 6.2 per cent, no doubt brings good tidings. With rates on short-term deposits cut aggressively, banks can make a good 2-3 per cent spread on such deposits, albeit for a short period.

To be fair, the massive inflows of old notes have put a strain on banks' daily operations and they have been incurring costs on logistics and cash management in the past two weeks.

Nonetheless, given that for most PSU banks, lending activity has been slack for a long while now, the spread on these excess deposits even for a short period can boost their income.

PSU banks have also been deploying some of these funds to buy safe government securities. In the week ended November 18, PSU banks have been net buyers in government securities to the tune of about Rs. 24,600 crore. This is higher than the amount of bonds they bought (net) in recent months.

PSU banks have been buying aggressively in the last couple of months. In the September quarter, they were net buyers to the tune of about Rs. 36,000 crore, far higher than the Rs. 18,000-odd crore of net purchase they made in the June quarter.

As core lending business remains muted, PSU banks have been stocking up on government securities instead.

With the yield on government bonds falling from 7.7 per cent levels in the beginning of this year to 6.2 per cent levels now, banks are likely to gain from higher treasury gains.

Private sector banks, on the other hand, had turned net sellers in the September quarter. They sold about Rs. 24,000 crore worth of bonds after a net purchase of Rs. 5,300 crore in the June quarter.

In the week ending November 18, they made a net purchase of about Rs. 4,800 crore in government securities.

**Source – The Hindu Business Line, 26<sup>th</sup> November 2016**

### **RBI ACTION PLAN NEEDED ON CURRENCY SUPPLY: AIBOC**

Bank unions have demanded that Reserve Bank of India come out with details of value of old notes deposited in the central bank (by the public), the value of new notes released by the regulator (for old notes) and the value of soiled notes released to meet the demand.

“There is a huge shortage of smaller denomination notes and this is contrary to the Reserve Bank’s announcement of sufficient currency in hand on several occasions. The situation has not eased even after 20 days of the announcement of demonetisation. The new Rs. 500 currency is still in short supply and, at some branches, banks are forced to pay Rs. 4,000 instead of Rs. 24,000 to customers,” said R Sekaran, Secretary All India Bank Officers’ Confederation – Tamil Nadu State Unit.

Meanwhile D Thomas Franco Rajendra Dev, President, AIBOC-TN, said that there were reports that the Madurai branch of State Bank of India was supplied just Rs. 5 crore through ICICI Bank and asked to distribute the same in eight southern districts. “While nationalised banks are not getting adequate number of the new Rs. 500 note for distribution, private banks such as ICICI Bank and HDFC Bank have been getting sufficient supply of notes from day one — of Rs. 2,000 and Rs. 100 and now of Rs. 500 as well.

“The RBI should, therefore, declare date-wise details of the value of old notes deposited by the public, and the value of new notes and soiled notes released to each bank,” he said.

“The situation is likely to worsen in the next two days as pension and salary payments start from December 1. In several branches, there is unrest with the public raising a hue and cry over forbidding them from withdrawing their money,” Franco said, and appealed to the RBI Governor not to issue false statements and increase the pace of supply of Rs. 500 and Rs. 100 notes urgently.

AIBOC has also appealed for review of withdrawal limits, taking into account the salaries to be paid and pension to be disbursed.

“The RBI Governor should announce the future roadmap for some clarity. The regular work of bankers, including follow-up of advances, has come to a standstill and we do not know how long this situation would continue,” Franco said

**Source – The Hindu Business Line, 30<sup>th</sup> November 2016**

### **WHY HAVE WHITE-LABEL ATMS BEEN SHUT?**

Over the past three weeks, since the demonetisation move, the never-ending lines outside ATMs have left many anxious and flustered.

But white label ATMs (WLAs) set up by licensed non-bank entities in remote areas of the country, have been completely shut. These ATMs are tied up with various banks for sourcing cash.

But with banks scrounging for currency themselves, they have been unable to provide these ATMs with cash to dispense. With only 40,000-odd ATMs — both bank and white label — in rural areas, access to money in the remotest parts of the country is now a grave challenge.

---

**All India RRB Officers' Federation**

**“JGGP HOUSE”, Raja Rammohan Road, Hakimpara, Siliguri – 734001(West Bengal)**

**E-MAIL: [555airrbof@gmail.com](mailto:555airrbof@gmail.com)/[shyamalairrbof@gmail.com](mailto:shyamalairrbof@gmail.com)**

**WEB SITE: <http://www.airrbof.org>**

The main objective of permitting non-banks to operate WLAs was to expand the reach of ATMs in semi-urban and rural areas, where banks were not able to put up ATMs.

Under the RBI's guidelines, a minimum number of WLAs have to be installed in Tier III to VI centres, depending on the scheme opted by each player. That's why almost 41 per cent of WLAs operate in rural areas. In contrast, public sector banks operate only about 20 per cent of their ATMs in rural areas.

As of October 2016, there were 14,427 WLAs. Of the eight players in this market, two players — Tata Communications Payment Solutions (8,941) and BTI Payments (4,087) — account for 90 per cent of the total WLAs.

“Almost 90 per cent of our ATMs are in tier-III and below towns/villages. Most customers in rural areas travel 5-10 km to access an ATM and it does not help if these ATMs are shut for over three weeks.

“Almost 50 per cent of our ATMs are in areas where there are no other bank branches or bank ATMs,” says K Srinivas, MD and CEO, BTI Payments.

To be fair, the RBI has laid down a stringent regulation that sourcing of currency should be done only from banks, possibly to prevent fake notes entering the system. But given the need to reach out faster to the rural areas, that are more cash dependent, the apex bank could review its norms for the interim.

“We have fully recalibrated all our ATMs. But unfortunately, we are not able to source cash, our principal raw material to run ATMs, from our cash-supplying banks.

“We have represented to the RBI to allow us to draw cash directly from the RBI currency chests and are awaiting a response,” adds Srinivas.

**Source – The Hindu Business Line, 2<sup>nd</sup> December 2016**

### **BANK DEPOSITS UP RS. 4.2 LAKH CR OVER 2 WEEKS ENDED NOV 25**

Banks saw copious deposit inflows of Rs. 420,960 crore in the fortnight ending November 25, RBI data show. This is thanks to the rush to deposit the high denomination currency notes, which became illegal tender with effect from November 9.

With the public having time until December 30 to deposit their old Rs. 500 and Rs. 1,000 notes, the banking system is expected to see further jump in deposits.

After December 30, the public can go to specified offices of the Reserve Bank of India up to March-end 2017 and deposit the notes after submitting a declaration form.

With deposits growing by leaps and bounds and credit demand in the economy muted, banks have started cutting deposit rates to protect their margins.

For instance, State Bank of India cut its rates on retail deposits (of less than Rs. 1 crore) in three maturity buckets by 15 basis points with effect from November 17.

---

**All India RRB Officers' Federation**

**“JGGP HOUSE”, Raja Rammohan Road, Hakimpara, Siliguri – 734001(West Bengal)**

**E-MAIL: [555airrbof@gmail.com](mailto:555airrbof@gmail.com)/[shyamalairrbof@gmail.com](mailto:shyamalairrbof@gmail.com)**

**WEB SITE: <http://www.airrbof.org>**

SBI's deposit rates are: 6.90 per cent (7.05 per cent earlier) for one year to 455 days; 6.95 per cent (7.10 per cent) for 456 days to less than two years; and 6.85 per cent (7 per cent) for two years to less than three years.

Now, the highest interest rate that India's largest bank is offering is 7 per cent on deposits of 211 days to less than one year.

That the picture is not rosy on the assets side is underscored by the fact that the banking system's loan book has come down by Rs. 64,233 crore in the reporting fortnight.

The combination of high deposit growth and tepid credit growth has led to banks investing heavily in Central and State government securities.

In the reporting fortnight, banks invested Rs. 3,46,795 crore in these securities.

**Source – The Hindu Business Line, 10<sup>th</sup> December 2016**

### **MOBILE BANKING USAGE ALREADY WELL OVER LAST FY'S MARK: RBI**

Mobile banking transactions have grown in leaps and bounds in the first eight months of the current financial year. Transactions in the reporting period up to November are already 1.36 times that reported in the full of last financial year.

As per Reserve Bank of India data, the volume of mobile banking transactions from April-November soared to 53.086 crore as against 38.949 crore in the entire previous financial year.

In sync with the increase in the volume of transactions, the value too has jumped significantly.

The value of transactions conducted via the mobile banking channel has soared by 1.71 times in the reporting period to Rs. 6,91,964 crore as compared to Rs. 4,04,091 crore in the whole of last financial year.

As at September-end 2016, total wireless (mobile) subscriber base stood at about 105 crore and the wireless tele-density was at 82.17. In a recent speech, R Gandhi, Deputy Governor of RBI, said that with growing use of the Internet on the mobile phone, this medium is becoming a natural channel of choice for both customers as well as service providers. Hence, application-based mobile banking services as well as net banking services for mobile users are being offered by almost all banks.

A large number of bank and non-bank PPI issuers (mobile wallet issuers) also leverage on this channel and have introduced their own mobile applications, he added

Gandhi observed that, "Till recently, the mobile banking applications were largely operating in silos, particularly for merchant payments (which had to be routed as Person 2 Business push payments), and generally not interoperable across merchants and customers of different banks.

---

**All India RRB Officers' Federation**

**“JGGP HOUSE”, Raja Rammohan Road, Hakimpara, Siliguri – 734001(West Bengal)**

**E-MAIL: [555airrbof@gmail.com](mailto:555airrbof@gmail.com)/[shyamalairrbof@gmail.com](mailto:shyamalairrbof@gmail.com)**

**WEB SITE: <http://www.airrbof.org>**



## 17 | Page

“With the introduction of Unified Payments Interface (UPI), twin benefits have come into place for mobile banking – convenience of operations for customers (who can provide just a registered virtual address instead of details of bank accounts etc, for making/receiving payments) and merchant ‘pull’ payments.”

The Deputy Governor felt that UPI, which is application-based and usable on smartphones with Internet access – when fully operational across banks – has the potential to revolutionise the mobile payments arena.

According to the the RBI’s operative guidelines, “mobile banking transactions” is undertaking banking transactions using mobile phones by bank customers that involve credit/debit to their accounts.

Besides, it covers acceptance of transfer of funds instruction for credit to beneficiaries of same/or another bank in favour of pre-registered beneficiaries, accessing the bank accounts by customers for non-monetary transactions like balance enquiry, stop payment instruction of cheques, transactions enquiry, location of the nearest ATM/branch etc.

**Source – The Hindu Business Line, 12<sup>th</sup> December 2016**



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

**AIRRBOF** December, 2016  
News Letter

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

**Vol - XXIII**

**SILIGURI**

**No. 12**

18 | Page

**AIRRBOF NEWS LETTER**  
Registered with RNI, New Delhi,  
Regn. No. 4L/RV/TO/93

### **EDITORIAL BOARD**

Chairman	–	Shri R.G. Makhija
Editor in Chief	–	Shri S.K. Bhattacharjee
Associate Editor	–	Shri C.S. Pal
Members	–	Shri C. Jayakumar Shri Rajesh Kori Shri S.K. Pal Shri K.M. Shukla

**Edited & Published by**  
**Shri S.K. Bhattacharjee on behalf of AIRRBOF**