AIRRBOF News Letter
December, 2017
Sky is not the limit, we cover it...
The Voice of All India RRB Officers' Federation
Vol - XXIV SILIGURI No. 12

EDITORIAL

THE PERILS OF LOWERING INTEREST RATES

There is a constant call to lower interest rates, with the Reserve Bank of India, at the receiving end, branded as being too conservative. It is, however, forgotten that the call on the repo rate is no longer the prerogative of the RBI and that there is a Monetary Policy Committee which decides on the course of action. Curiously so far, the majority has tilted towards this so-called conservatism.

Lowering interest rates sounds logical when economic growth is slow and there is a compelling need to increase investment. The gross fixed capital formation rate has fallen continuously from 33.4 per cent in FY13 to 27.1 per cent in FY17, and quite clearly the private sector is not investing adequately. Also, lower interest rates help to make companies more profitable even though interest outgo accounts for just around 3-4 per cent of total cost. This is so as when lending rates come down, all loans get re-priced at the new rate. Hence, there is an economic rationale for lowering rates.

But the RBI has been quite steadfast, and rightly so, in making its interest rate calls. The same approach was praised in the context of keeping India insulated from the Great Financial Crisis of 2008, as it was conservative in opening up the markets. After crude oil prices came down and inflation came under control, the RBI has followed the global practice of lowering rates in a calibrated manner. Between January 2015 and August 2017, the RBI lowered the repo rate by 200 bps, but this has not led to any perceptible increase in investment. Lowering rates just for the sake of doing so could have some unintended consequences, which may not be good in the long run. Hence, it is essential to take a balanced view on the issue.

There are some important concerns which surface when debating this issue. First, lowering interest rates rapidly has the potential to generate a new kind of a bubble or crisis; there could be adverse selection by banks when they are nudged to enhance lending to spur the economy.

This is what happened in the post-Lehman period, when we went in for aggressive stimulus through government spending and lowering of interest rates. The result was that several large projects were undertaken as funds came in cheap, leading to a pile-up of high NPAs in the system. Almost all the large NPAs had their genesis in this period. In fact, easy money and higher deficits resulted in an increase in inflation which, combined with the phenomenon of higher oil prices, caused CPI inflation to remain in the double digit range.

The same situation can be replicated with the difference this time being that the Government is not spending beyond what has been budgeted. Everyone is critical of the banking system for generating high NPAs, which was more due to their stretching the limits to prop up growth, compromising credit standards. Are we indirectly asking them to do the same now by putting pressure on both the RBI and banks to enhance lending?

At present, the capacity utilisation rate in industry is around 70-72 per cent, and there is stagnant demand. Until this rate touches 80 per cent there is less likelihood of additional investment taking place in the normal course. Further, large companies in the infra space are already in a spot, grappling with their NPAs. In such a situation expecting demand for credit to pick up would be quite naïve. Forcing banks to lower lending rates and enhance lending may become counter-productive.

Second, the segment which has shown higher growth in credit, which could be incentivised by lower rates, is housing. But the sector per se has been challenged thrice in the last year. First, demonetisation has affected the housing industry as a large volume of transactions, earlier done in cash, can no longer be carried out. This was followed by RERA which, though favourable to the buyer, has put the onus on the seller in terms of compliance. Add to this the introduction of GST and the entire housing industry is going through fairly turbulent times. Pushing forth loans should not be done at the cost of prudence, the absence of which brought about Lehman. While securitisation is not a risk in India, there has been a tendency for even PSBs to follow the model of increasing the share of retail loans where mortgages dominate. Hence, the possibility of a bubble here should be kept in mind all the time.

Third, the continuous reduction in interest rates has also caused a disruption in savings preferences. Growth in deposits was just 1.2 per cent between April and November 10, 2017, compared with 7.9 per cent during the same period last year. Household savings constitute around 60 per cent of total savings in the economy. A little over 60 per cent of household financial savings reside in bank deposits. With bank deposit rates coming down, there has been a tendency for funds to flow to equities and mutual funds where the lure of higher returns prevails. As both of them carry benefits on the tax front, there has been an undue rush for mutual funds, which in turn has resulted in some degree of irrationality in stock market movements. The new heights scaled by the stock indices are more due to domestic investment than FPI, which conventionally tended to dominate the landscape. The danger here is that when the stock market reverses, which should happen at some point of time as a correction in response to corporate prospects, the fall in value of these savings will affect households sharply.

Fourth, to the extent that savers have stuck with bank deposits which give a return of around 6-6.75 per cent return, the income earned by fixed-income households has been eroded. This has affected purchasing power and is also evident in the limited discretionary spending for households that depend on interest income. As this proportion of the population is quite high, lower consumption feeds back into the demand for products, which in turn will regulate the growth of capacity utilisation.

To conclude, it may be said that lowering interest rates should be viewed more as a policy response to the existing conditions. It should not become an overriding objective as this can lead to adverse selection of borrowers in an effort to expand the balance sheet size. While the immediate gains would be attractive it can lead to magnified proportions of NPAs in future. We must not forget that the present scenario is a repeat of a similar ideology pursued in the past.

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EXCERPTS FROM AIRRBOF CIRCULARS

Circular # 76:2017 7th November 2017

MEETING OF WEST BENGAL STATE COMMITTEE OF AIRRBOF HELD AT BURDWAN ON 5TH NOVEMBER, 2017

The West Bengal State Committee of AIRRBOF is the oldest of all State Committees and is active in its functioning. The Meeting of the State Committee took place at the Training Centre of Paschimbanga Gramin Bank at Burdwan at 11 AM of 5th November, 2017. The Meeting was well attended.

The Meeting was presided over by Com. Pradip Deb of Uttarbanga Unit. With the welcome address the Meeting was carried on as per agenda. State Secretary, Com. Srijan Pal made detailed reporting in regard to developments since the last Meeting. The proceedings of the last Meeting was presented and adopted. In view of change of leadership in Uttarbanga Unit Com. Biswajit Chattopadhay, General Secretary was co-opted as Vice-President in place of Com. Nibir Kumar Roy.

Com. S.K. Bhattacharjee, General Secretary, AIRRBOF deliberated at length on all developments in regard to Pension in RRB, Salary Revision, controversy over amalgamation/merger of Public Sector Banks and consequent fall out on RRBs. Thereafter, report was taken from the affiliates from the state of West Bengal on Bank Level developments.

In view of the 11th Triennial Conference of AIRRBOF being held at Burdwan on 10th & 11th February, 2018, General Secretary of the Association of Paschimbanga Gramin Bank, Com. Srijan Pal made detailed presentation. It had been decided that all affiliated Units of AIRRBOF shall have to collect advertisement for the Souvenir to be published on the occasion. Detailed circular is being issued.

Vote of thanks was rendered by Com. Bablu Das of Uttarbanga Unit. Thereafter, President formally concluded the Meeting.

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Circular # 78:2017 24th November 2017

64TH CENTRAL COMMITTEE MEETING HELD SUCCESSFULLY IN NEW DELHI ON 24TH NOV. 2017

The venue of the 64th Meeting of the Central Committee of AIRRBOF on 24th instant was the office of All India Union Bank Officers' Federation at Connaught Place, New Delhi. The Meeting was attended by all important office bearers & Committee Members of our Federation.

The Meeting started with welcome address by Com. Debasish Ghosh, General Secretary, All India Union Bank Officers' Federation & Sr. Vice-President, AIBOC. With President, Com. R.G. Makhija on the chair the Meeting was called to order and agenda wise discussion followed.

General Secretary read out the proceedings of the 63rd Meeting held at Nagpur on 27th May, 2017. The proceedings was deliberated upon and thereafter approved unanimously. General Secretary placed the Report on the development in the intervening period. The report was read out by GS and paragraph wise discussion took place. Several participants namely Com. M.V. Karer, Com. Srijan Pal, Com. Biplab Nath, Com. Venkat Sundar, Com. N. David Vijay Kumar, Com. K.M. Shukla, Com. B.L. Khandelwal actively took part in the discussion. After long deliberation the following decisions were taken:

(i) Federation should take up with Chairmen of RRBs seeking their confirmation in regard to steps to appoint/promote to fill up the vacant posts as per suggested manpower norms by Shri S.K. Mitra Committee Report. If required application under RTI Act may be preferred to the Public Information Officer of the RRBs. Thereafter, the issue should be taken up with NABARD/JCC for further steps to fill up the vacancies.

(ii) AIRRBOF should take up with all RRBs and Sponsor Banks for extension of Health Insurance Scheme to all retired officers and employees on optional basis in a time bound manner as instructed by Govt. of India, DFS.

(iii) Federation shall also take up with appropriate authority for immediate introduction of Compassionate Appointment Scheme in line with Public Sector Banks.

(iv) Federation should take up with all concerned for also introduction of the 150% of HRA on capital cost basis as per guidelines in Public Sector Banks.

(v) In regard to uniform extension of all allowances under Part II of Govt. of India circular the matter be followed up with DFS/NABARD on emergent basis.

Thereafter, the Report was approved. In view of the 11th Triennial Conference being held at Burdwan on 10th & 11th Feb. 2017 participation from all affiliates should be massive. A souvenir shall be published and all units should collect advertisement to raise fund. It was also resolved to open a SB A/c with Paschimbanga Gramin Bank named and styled as 'AIRRBOF – 11th Triennial Conference' and all Souvenir collection/Donation should be remitted to that A/c. The delegate/observer fee @ Rs. 1500/- per participant should be sent to All India RRB Officers' Federation A/c No. 0444000100177073 with Punjab National Bank within 31st Dec. 2017. On the basis of requisition and list of participants arrangement for accommodation shall be made by host Unit, Association of Officers' of Paschimbaga Gramin Bank (AOPBGB).

It was also resolved to write to General Secretary, AIBOC to solicit follow up action taken after the Meeting with AIBOC leaders and State Secretaries and AIRRBOF affiliates held in New Delhi on 17th July, 2017. After conclusion of all agenda the General Secretary called Com. N. David Vijay Kumar to propose vote of thanks. Com. David in his nice style thanked all the participants for successful discussion and also Com. D. Ghosh, GS and all other leaders of All India Union Bank Officers' Federation for hosting the Meeting.

Circular # 79:2017 24th November 2017

SUPREME COURT CASE ON PENSION –
UNION OF INDIA SLP(C) – 23988 OF 2012

In the last day of hearing of the aforesaid SLP the Union of India took the plea that the Addl. Solicitor General, MS Pinaki Anand was busy in the constitution Bench headed by CJI and therefore cannot plead the SLP (c) on Pension. The Court headed by Hon'ble Justice Arun Kumar Mishra, reluctantly deferred the hearing to the 4th week of Nov. 2017.

The case, therefore, was listed for hearing on 24th Nov. 2017. Thereafter in a last minute development the case was listed as Item No. 10 in the Supplementary List for hearing on 23.11.2017. President and General Secretary of our Federation reached New Delhi on 22nd Nov. and attended Supreme Court right from the beginning. Excepting ourselves only Banwarilal from AIRRBEA attended the Court. The matter came up for hearing at about 12:10 PM before the Court. Right at the beginning Shri Anantheraman, Jr. Advocate of AIRRBEA pleaded that they are not prepared for the case and insisted for deferment. Hon'ble Justice was insisting that matter be heard within a fortnight before winter vacation. However, Shri Anantheraman pleaded for hearing at a later date. Ms. Pinki Anand, Addl. Solicitor General representing Union of India told the Court that they wanted for a reconciliation in the matter but failed. She did not plead for deferment. It is AIRRBEA only who wanted deferment. Our Advocate was ready for argument today itself. Thereafter, Court ordered for listing in the last week of Jan. 2018.

Comrades, it is you to Judge why Pension Case is delayed for such a long period. It had been crystal clear before the Hon'ble Supreme Court on 23rd Nov. that it is AIRRBEA who are pleading for late hearing and deferment. What is the reason? Raising some more levy? There is already squabbles going in AIRRBEA. Secretary General Secretary, Com. A. Sayeed Khan was replaced and see how the drama unfolds.

Come, join and strengthen AIRRBOF, the only legal forum for officers working in RRBs.

Circular # 80:2017 27th November 2017

MANPOWER POSITION IN YOUR IN THE LIGHT OF S.K. MITRA COMMITTEE RECOMMENDATIONS

We reproduce our letter addressed to the Chairmen, all Regional Rural Banks on the captioned subject for your information & necessary action.

"We would like to remind you that every RRB have to undertake an exercise to assess the manpower required as per the yardstick recommended by Shri S.K. Mitra Committee taking into consideration the retirement of officers and employees in the ensuing years.

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We trust that you have undertaken the exercise and initiated action plan so that your RRB do not face Manpower crunch in the coming years. We are also given to understand that certain Sponsor Banks are putting spanners in the process by stipulating certain considerations like performance, profitability and some other extraneous considerations which were not germane in formulation of S.K. Mitra Committee Report.

You would appreciate that even through approval of Manpower based on business position is not mandatory for obtaining prior approval of Sponsor Bank, some RRBs are unfortunately struck in the Manpower replenishment process due to objections raised by Sponsor Banks. The views of the Sponsor Bank in regard to Manpower Plan approved by the Board of RRBs, which is autonomous in nature, should be brushed aside. However, such objection raised by Sponsor Bank(s) had prompted some RRBs to withdraw their Manpower Recruitment Requisition from IBPS. This is really reversing the process of development of the Bank and demotivation of the existing human resources.

We shall request you to please confirm us, as we command the status of only legal Trade Union platform for RRB Officers, whether you had put in place the process of filling up of all existing and near future vacancies in the cadre of officer & employees. We would also appreciate if you kindly write to us confirming the posts of officers and employees remaining unfilled as on 30th Sept. 2017.

Sir, we would be most reluctantly proceed to take further step if we do not receive any response from you within a fortnight from the date of issue of this letter. We trust that you shall keep us in confidence in the matter and share your concern in the area of Manpower in your RRB."

Circular # 81:2017 27th November 2017

REVISION OF PAY & ALLOWANCES OF REGIONAL RURAL BANK EMPLOYEES – EXTENSION OF MEDICAL INSURANCE SCHEME

We reproduce our letter addressed to the Shri M. Mukherjee, Dy. Director (RRBs), Govt. of India, Ministry of Finance, Dept. of Financial Services on the captioned subject for your information & necessary action.

"We beg to refer to your letter F. No. 8/1/2015 – RRB dated 31st July, 2015 by which you extended revised salary & Allowances to officers & employees of RRBs. Subsequently you issued order F. No. 8/1/2015 – RRB dated 20th Oct. 2016 whereby you revised other allowances grouped under Part – I & Part – II. It is clearly mentioned in your order that allowances forming Part – I shall be extended immediately by RRBs.

We would like to point out that Point No. 4 under Part – I indicated that Hospitalisation Expenses shall be reimbursed as per the Medical Insurance Scheme as detailed in Schedule IV of 10th Bipartite Settlement. In accordance with such scheme the retired officer and employee of the respective Banks are also covered subject to his opting for the scheme by payment of eligible amount of insurance premium. However, excepting two or three RRBs, the Medical Insurance Scheme was not offered to retired officers & employees. This is a clear violation of your instructions by Chairmen of RRBs.

We, therefore, request you to please advise Chairmen, RRBs by another letter to offer Medical Insurance Scheme to retired officers & employees of RRBs on payment basis at the earliest."

Circular # 82:2017 28th November 2017

ISSUES CONCERNING LADY EMPLOYEES

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 65 dated 24th November 2017.

"Forwarding the Note submitted to IBA by the 4 Officers Organisations on issues concerning Lady Employees in addition to the Charter of Demands, the contents of which are self explicit. Kindly discuss. Please get articles written in Newspapers supporting our cause"

NOTE

ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)
ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)
INDIAN NATIONAL BANK OFFICERS' CONGRESS (INBOC)
NATIONAL ORGANISATION OF BANK OFFICERS (NOBO)

Date: 27th October 2017

Issues concerning Lady Employees:

Women have various problems in our country and in many other countries.

Double Burden: Twin responsibility of managing domestic and professional front.

Mobility: Transfer and promotion policies of the banking industry create serious barriers to the women's advancement to managerial jobs.

Safety and Sexual Harassment: Women leaving the office during late hours make them vulnerable to the unscrupulous criminal elements prevailing in the society at large. A lewd comment passed on at the women at workplaces and elsewhere spoils the morale of our women officers.

Gender insensitivity: Controllers generally do not prefer young women officers (just married) citing the reason that they are prone to go on maternity leave and that their absence might affect the day to day operations of the Bank.

Promotions and transfers: Most of the women executives in public sector banks forgo promotion out of the fear of causing dislocation in the family though they have fully qualified themselves with CAIIB and other officer cadre exams conducted by the respective banks. The lack of social support, a general familial tendency to sideline women issues have contributed to women opting out of further promotions/ transfers fearing issues in the family. The clerical staffs with management potential continue working at the clerical level owing to present transfer/ promotion policy of many Banks which requires transfer to a different city.

Recommendations:

- **Crèches:** Infrastructural facilities such as creches and day care centres. Establishment of child care centres in all major cities and towns to take care of the children.

- **Child Care Leave:** Child care leave on the lines of Central Government Scheme i.e Two years in the entire career with Salary.

- **Maternity Leave:** Maternity leave should be 2 years in service for women employees and for 1 year on one occasion for one child.

- **Sick Leave:** Sick leave may be granted to women employees to look after sickness of a child below 12 years.

- **Legal Adoption:** A female employee may be granted maternity leave, for legal adoption of child, up to one year within the overall entitlement.

- **Legal Adoption:** A female employee may be granted maternity leave, for legal adoption of child, up to one year within the overall entitlement.
- **Hysterectomy:** Over and above the maternity leave, another 2 months to be given to cover cases of hysterectomy, wherein the maternity leave is already exhausted.
- **Hostels:** Provision of hostels for working women, accommodation for divorced, separated and widowed women with children.
- **Special Leave / Sabbatical Leave:** Special leave with a lien on service, for up to say five years, to meet certain contingencies specific to women, extending this facility to men also whenever required.
- **Flexible Working Hours:** Provision for a woman with a child less than three years old to work for fewer hours and receive proportionate pay.
- Provision for flexi-hours and part-time employment in suitable cases. One way of improving prospects for women could be to restructure the work, for example with flexible working hours, part time job assignments, split location positions performed partly at home and job and job sharing
- Although maternity leave (12 weeks in all) is regarded as fairly satisfactory, additional provisions required are medical benefits, hospitalization, leave for the purpose of child care, paternity leave for at least ten days, and further leave for those who have to look after an infant in special circumstances. The Ministry of Labour has amended the Maternity Benefit Act, 1961, which presently entitles women to 12 weeks of maternity benefit whereby employers are liable to pay full wages for the period of leave. It also provides for crèche facility.
- A uniform transfer policy in all banks for women officers, and a cell to deal with women's issues in every bank's personnel department.
- One question frequently asked is, "How do we manage the banks if so many ladies are on leave?" Many countries have provided for recruitment of more employees taking into account that 1/3rd will be on leave any point of time.

Observations/ Recommendations of the Parliamentary Committee on empowerment of women (2015-2016):

- A separate section in the Bank's website provides highlights with regard to women empowerment in the bank.
- A Lady member is included in the interview panel.
- Women are given preference in the matter of transfer and placement. As far as possible their choices of posting are being considered. Transfers are limited and placement is given as far as possible near to/ to their hometown or centre of location of spouse.
- Safe and congenial working atmosphere is maintained in the bank.

Flexi Hours & Safety: Employers should improve structure of recruitment policies to facilitate work life balance of women and employee performance and productivity. Apart from this it will also reduce stress associated with work and hence improve work performance. With above mentioned employee performance and productivity it also leads to higher profitability for the organization. The management of bank and financial services need to look at these, enhance the participation of women and enable them to contribute to the commercial well being of the organization.

Regulated working hours for women: According to the Factories Act (1948), no woman worker shall be allowed to work in a factory except between 6 a.m. and 7 p.m. The State Governments may by notification vary the limits as set out in this point, but in no circumstance will women employees be allowed to work between 10 p.m. and 5 a.m.

Crèche facility: According to the Gazette Notification of the Ministry of Law and Justice dated 28 March 2017, The Maternity Benefit (Amendment) Act 2017,

11 A (I): Every establishment having 50 or more employees shall have facility of crèche within such distance as may be prescribed either separately or along with common facilities:

Provided that the employer shall allow 4 visits a day to the crèche by the women, which shall also include the interval for rest allowed to her.

Organizations that already provide crèche facility include Accenture, HCL Technologies Ltd, General Electric Co., Pepsico India Holdings Pvt. Ltd, Airtel, Flipkart Ltd, Godrej Industries Ltd, L'Oreal India Pvt. Ltd, Johnson and Johnson, Genpact Ltd and Hindustan Unilever Ltd.

Annexure: 1. Report of the Parliament Standing Committee on Women
2. Maternity Benefit (Amendment) Act 2017
(Please refer our site aiboc.org also for annexures)

Circular # 83:2017 — 30th November 2017

MEETING OF SUB GROUP – REVIEW OF DISCIPLINE AND APPEAL REGULATIONS

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 66 dated 30th November 2017.

"We forward herewith the proceedings of the above said meeting held on 21.11.2017, the contents of which are self explicit."

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ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)
ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)
INDIAN NATIONAL BANK OFFICERS' CONGRESS (INBOC)
NATIONAL ORGANISATION OF BANK OFFICERS (NOBO)

JOINT CIRCULAR TO ALL UNITS **21.11.2017**

Dear Comrades,

MEETING OF SUB-GROUP – REVIEW OF DISCIPLINE AND APPEAL REGULATIONS

In continuation of our efforts to arrive at satisfactory solution in the matter of Discipline and Appeal Regulations and also the Accountability Policy applicable right from Scale I to Scale VII, a sub group was formed by IBA. The members are

DGMS Viz: Shri.B.Ram Sankar, (CBI), Shri.C.Malolan (BOB), Shri.Rakesh Chopra,(UBI), Shri.S.Adhya, (SBI) and Shri.K.V.V.S.Prasad, (BOI).

The sub group meeting was held at Mumbai today at IBA office at 14.30 hrs,in which organizational representatives have participated. The discussion was based on communication addressed to IBA as contained in our Charter of Demand and also the follow up action points of the earlier exercise carried out in the last wage revision. The endeavor of our team is to formulate and present a comprehensive uniform document / Policy to protect the bonafide decisions, remove fear psychosis and encourage decision making for better working environment to all especially to the youngsters who have taken up the banking career with much zeal. In this meeting, we have ignited the thought process towards this goal and shall take it forward for effective conclusion.

Well began is half done, the saying goes. We are in the mid-way in this meaningful exercise. The next meeting is scheduled to take place on 15th December, 2017.

With warm greetings,

Yours Comradely,

(Dilip Saha) President, AIBOC	(Y.Sudarshan) Chairman, AIBoC	(S.Nagarajan) Gen Secretary AIBOA	Sd/- NAGESH D DANDE INBOC	Sd/- V V TIKEKAR NOBO

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Circular # 84:2017 30th November 2017

11TH TRIENNIAL CONFERENCE OF AIRRBOF TO BE HELD AT BURDWAN ON 10TH & 11TH FEBRUARY, 2018

In connection with making total arrangement of holding the 11th Triennial Conference of AIRRBOF at Burdwan, first preparatory meeting was held at Lions Club Auditorium on 30th Nov. 2017 afternoon. The Meeting was presided over by Com. S.K. Bhattacharjee, General Secretary, AIRRBOF. Initiating the Meeting Com. Srijan Pal, General Secretary, Association of Officers' of Paschimbanga Gramin Bank (AOPBGB) narrated the detailed plan of hosting the Meeting successfully and the need to form Reception Committee and Sub-committees to oversee the entire arrangement. He also narrated the discussion the Comrades of AOPBGB held with Miss Mamta Banerjee, Hon'ble Chief Minister of West Bengal who pledged her full help to make the Conference successful. She told that she shall advise all concerned to make the meeting successful. Com. Pal told that important Ministers like Dr. Amit Mitra, Hon'ble Minister of Finance & other ministers are likely to attend. Eminent Economist Prof. Abhirup Sarkar, Chairman, WB Infrastructure Development Finance Corporation shall grace the occasion. Com. Dilip Saha, President, AIBOC, Com. D.T. Franco Rajendra Dev, General Secretary, AIBOC along with President and General Secretary, AIBOC WB State Unit, Com. Soumya Dutta and Com. Sanjay Das respectively shall remain present.

Com. S.K. Bhattacharjee briefed the Meeting about the latest hearing of the Pension Case. He talked about the great tradition of Burdwan of hosting the Triennial Conference in 2005 and exuded the confidence that the 11th Triennial Conference shall also go down in the annals of the RRB officers' movement as the most historic.

Thereafter, Reception Committee & different Sub-Committees as follows were constituted:

RECEPTION COMMITTEE:

Chairman – Com. Soumya Dutta, President, AIBOC, WB State Unit & General Secretary, State Bank of India Officers' Association (Bengal Circle)

Vice-Chairman – (i) Com. Sanjay Das, General Secretary, AIBOC, WB State Unit & General Secretary, Bank of India Officers' Association (Eastern India Branches)
(ii) Com. Asoke Dey, All India Punjab National Bank Officers' Association

Secretary – Com. Srijan Pal, General Secretary, AOPBGB

Members – (i) Com. Tushar Kanti Hazra, Sr. Vice-President, AIRRBOF & GS, BGBOA
(ii) Com. Biswajit Chattopadhyay, GS, RBOA (Uttarbanga Unit)
(iii) Com. Udayshankar Adhurya, President, BGB Retirees Assn.
(iv) Com. Swapan Sarkar, GS, BGB Retirees Assn.
(v) Com. Amar Dey, President, AIRRBPF
(vi) Com. Ajoy Kr. Mondal
(vii) Com. Baidyanath Sarkar
(viii) Com. Sanat Goswami

SUB-COMMITTEE:

	Name of the Sub-Committee	Convenor
(i)	Publicity	Com. Janananda Bhattacharya
(ii)	F & B	Com. Subrata Sen
(iii)	Souvenir	Com. Sanjib Aich
(iv)	Accommodation	Com. Anupam Dey Com. Arnab Sengupta
(v)	Felicitation	Com. Sujata Biswas
(vi)	Dias Management	Com. Utpal Bhattacharya
(vii)	Conveyance	Com. Subir Sinha Roy
(viii)	Rally	Com. Sunirmal Das

All our affiliates are requested to strictly follow the guidelines issued in our Circular No. 78 dated 24th November, 2017 and nominate delegate & observer to AIRRBOF Central Office as well as collect Souvenir advertisement and send the same along with the remittance to the host unit payable to the designated A/c.

Let all of us make the Conference a grand success.

PRESS CORNER

NEW FINANCIAL RESOLUTION BILL 'MUST ENSURE SAFETY' OF DEPOSITORS' MONEY

All India Reserve Bank Employees Association has demanded that safety and security of depositors' money must be ensured after passage of the proposed Financial Resolution and Deposit Insurance Bill.

The forthcoming Winter Session of Parliament is expected to take up the Bill that aims to set up a Financial Reconstruction Corporation.

It will be empowered to order the amalgamation, merger, liquidation, and acquisition of any bank, insurance company, and non-banking finance company if it feels the institution concerned carries an 'imminent' or 'critical' risk to viability.

The corporation can declare any of the entities under its control bankrupt, said Samir Ghosh, General Secretary of the Association. He feared that measures to stave off the risk may include confiscating part of depositors' money.

As of now, a bank depositor is insured to the extent of Rs. 1 lakh in case of a bank failure. The Deposit Insurance and Credit Guarantee Corporation under the RBI has been processing the same since 1960.

According to the provisions in the new Bill, this job will be shifted to the Financial Reconstruction Corporation which may decide on the compensation in case of any bank failure, which could well be less than Rs. 1 lakh.

More importantly, according to Section 52 of the proposed Bill, depositors will lose their rightful claim to retrieve their savings in case of liquidation of banks and insurance companies. Such usurpation of depositor money happened in many European countries post the 2008 meltdown. So long as common depositors in India kept their hard-earned money mainly in public sector banks, they were assured of safety, Ghosh said.

"But this would no longer be the case. The government is as well shedding its equity in public sector banks which are saddled with huge NPAs." Bank depositors cannot be faulted for being apprehensive on this count.

According to Ghosh, besides assuring them safety and security, there is a need to enhance insurance cover on deposits which should ideally continue to be managed by the RBI. Efficacy of any new entity here would be doubtful, he added.

Source – The Hindu Business Line, 2nd December, 2017.

NEW MDR COULD DISCOURAGE SMALL RETAILERS FROM ADOPTING DIGITAL PAYMENT PLATFORMS, SAY EXPERTS

Retailers are opposing the Reserve Bank of India's (RBI) move to reduce the merchant discount rate (MDR) as it could make non-cash payments unattractive for smaller players.

Recently, the RBI decided to reduce the MDR from 1 per cent to 0.9 per cent, effective from January 1, in a bid to boost digital payments.

However, retailers (both big and small) feel that the MDR has actually been increased and it would indirectly increase the cost of operations for the merchants. MDR is the fee paid by the merchant to the acquiring bank (that provides the PoS devices), and a part of the fee goes to the issuing bank (that issues debit/credit cards) in the form of interchange fee.

Under current rules, MDR has three slabs — for transactions below Rs. 1,000, the MDR is 0.25 per cent; between Rs. 1,000 and Rs. 2,000, 0.5 per cent; and 1 per cent if the transaction value is Rs. 2,000 or more.

However, under the new rules, the transactions below Rs. 1,000 will have an MDR of 0.4 per cent, for transactions between Rs. 1,000 and Rs. 2,000, it has been increased to 0.9 per cent, while the rate for transactions above Rs. 2,000, it has been reduced from 1 per cent to 0.9 per cent.

Industry experts in the payment system and retailers are of the view that while this will benefit retailers with average billing size of more than Rs. 2,000 per transaction, the smaller players will be at loss as they will have to bear the entire cost of operations.

According to V Balasubramanian, President (Merchant and Terminal Business) at FSS, a payment technology leader, the MDR rates have been increased in the up to Rs. 2,000 transaction slab, where about 70 per cent of the transactions occur for any retailer.

"This will definitely discourage small retailers from using PoS machines or any digital means. It may eventually happen that the customer might end up paying the price as the retailers might raise prices to cover their cost," Balasubramanian said.

To this, Kumar Rajagopalan, President of Retail Association of India (RAI), added that the retailers might not be keen on using the PoS device and cash transactions may rise in the coming months if the rates are not revised. He further said that the association has asked the regulator to cap the MDR at Rs. 40 per transaction.

"We will see what all we can do to protect retailers' interest," he said, adding that "retailers make only 2-3 per cent net profit on the total turnover and on that if the MDR is increased, it is a huge cost. If the cost of operating a debit card will be higher than the cost of cash, then retailers will be forced to take cash." Rajagopalan said that the step taken by the government will be detrimental to its Digital India drive.

He also added that the government should encourage NPCI's Repay as the only payment processing mechanism or card payment scheme. "There are too many players like MasterCard and Visa in the system. These are the players who are benefiting out of the high MDRs," he added.

Source – The Hindu Business Line, 13th December, 2017.

PSB RECAPITALISATION WILL ENSURE NON-STOP FUNDS FLOW TO PRODUCTIVE SECTORS: URJIT PATEL

The opportunity provided by the enactment of the Insolvency and Bankruptcy Code (IBC) must be seized by banks to overcome the debilitating problem of corporate loan delinquency so that they get back into the mainstream of financial intermediation going ahead, according to the RBI Governor Urjit Patel.

Referring to the authority IBC conferred on the RBI to issue directions to banks to initiate resolution processes, Patel said it scales up the latter's ability to deal decisively with stress in banks' balance sheets and unclog the flow of credit to grease the wheels of growth.

“The recently chalked out recapitalisation plan of the government for public sector banks will ensure that flows to productive sectors (and credit-worthy borrowers) are not impeded and growth impulses are nurtured.

“The government has also proposed to take steps to improve the corporate governance of public sector banks (PSBs) by strengthening boards, bringing objectivity into management appointments, and decentralising decisions to the professional board,” said Patel at a recent CAFRAL conference on ‘Financial System and the Macro economy’.

On the new Enforcement Department, which was established in April this year to help the RBI concentrate on its mandate to develop a rule-based, consistent framework to deal with breaches of law, rules and directions, the Governor said effective deterrence enforced through such actions is expected to contribute to strengthening the credit culture overall. Underscoring that the economy is at an important juncture, Patel said “Our recent growth numbers may have disappointed some in the first quarter, but the second quarter has recorded an uptick and the slowdown may well be bottoming out.

“If one sees far, structural changes that come with temporary disruptions can be growth and efficiency-augmenting in the medium to long term. This is what has happened, for instance, with the introduction of the GST.”

GST should yield gains that will mean better tax compliance and a more efficient tax system that in turn will impart a permanent upward push to our growth. To add one more important reform to the list, there has been substantial liberalisation of Foreign Direct Investment policy, embraced by FDI investors with record inflows to India, said Patel.

Source – The Hindu Business Line, 18th December, 2017.

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DARJEELING TEA WORKERS
MAY GET EQUITY STAKE IN GARDENS

The Tea Board may consider offering stakes to workers in the tea gardens of Darjeeling, which have been shut for over 80 days due to political disturbance in the region.

The Darjeeling Tea Association (DTA) has sought Rs. 400 crore assistance from the Tea Board and the Commerce Ministry, but the board is unlikely to provide a grant. Sources said the board might instead offer the unpaid workers stakes in the tea gardens either as individuals or cooperative societies. The Tea Board will meet on 18th September to discuss this pro and other alternative before meeting tea garden owners at the end of the month. "We have a mandate from the Commerce Ministry to work out a package for the Darjeeling tea estates. Protection of livelihood of the workers needs to be ensured", P.K. Bezboruah, Chairman of the Tea Board, said. Since the gardens closed in mid-June, tea garden workers have not been paid. ADTA official said if workers did not report for work they were not paid. A Tea Board official said a grant alone would not put the gardens back on track, but "some help" would be provided. Around 29 owners or companies own the 87 gardens in Darjeeling. The idea is similar to what Tata Global Beverages, formerly Tata Tea, did with its plantation business, forming the Kanan Devan Hills Plantations in the Munnar region in 2005 and Amalgamate Plantations in Assam in 20 Workers picked up 60 percent of the subscribed share capital of Kanan Devan Hills Plantations and 10 percent the subscribed share capital Amalgamated Plantation.

Source – The Indian Worker, 01-15th October, 2017

RURAL BANK RECRUITMENT:
KARNATAKA CM WRITES TO JAITLEY

Karnataka Chef Minister, Shri Siddaramaiah has written to Finance Minister, Arun Jaitley arguing that introducing a centralised recruitment system for Regional Rural Banks (RRBs) goes against "the very founding principle" of the establishment of Banks which is to serve the rural masses.

All India recruitment to these institutions, through the Institute of Banking Personnel Selection, has been facing opposition. Students from Andhra Pradesh and Telangana writing online exams in North Karnataka districts faced hostility.

In his letter to Mr. Jaitley, the Chief Minister sought a relook at the clauses on language proficiency and immediate amendments to give preference to those who knew the regional language. The new rules say that those who do not know the regional languages can learn it within six months, or time frame fixed by the Board of RRBs.

Shri Siddaramaiah maintained that the IBPS, while framing rules for recruitment of RRBs, had diluted the clause of language proficiency. The present pattern was insensitive to the regional sentiments and caused large scale resentment among the youth in Karnataka.

"This should be done for the present recruitment. Those who have not studied the regional languages of the States, at least up to SSLC, should not be considered", the Chief Minister appealed in his letter.

Shri Siddaramaiah underlined that "the present system of Hindi/English mode of examination is a blatant violation of constitutional principles".

The Chief Minister also appealed to Mr. Jaitley to frame stricter rules for providing proper representation to people having good command over the local language when recruitment for various Central Government Departments were being carried out.

Source – The Indian Worker, 01-15th October, 2017

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