



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

# AIRRBOF News Letter

August, 2017

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

Vol - XXIV

SILIGURI

No. 08

## EDITORIAL

### HIDDEN VALUE

As the RBI, the banks and the new Bankruptcy Board double down to the task of resolving the bad loan imbroglio; one thing is becoming quite clear. The exercise will entail much bigger haircuts for banks than originally envisaged, bloating their capital requirements over the next two to three years. There's already a yawning gap between government estimates of the recapitalisation needs of PSBs ( Rs. 1.8 lakh crore) and private estimates of these requirements (upwards of Rs. 2.4 lakh crore). It is not clear where all this extra capital will come from, with the budget-constrained Centre only committing to Rs. 70,000 crore. This makes it imperative for PSBs to explore unconventional methods to free up capital. In this context, a recent analysis has thrown up an interesting roster of strategic and minority equity stakes held by banks such as PNB, IDBI Bank, Canara Bank, Bank of India and SBI, in non-banking businesses. These span life and general insurance, asset management, merchant banking, debt broking, home finance and market infrastructure institutions. The time is opportune for PSBs to initiate a coordinated disinvestment exercise to sell these equity stakes in the market to unlock capital for use in lending activities.

There are several advantages to PSBs disinvesting stakes in these legacy businesses through the market route. For one, selling equity in non-core businesses is likely to prove more lucrative for the stressed PSBs than raise capital in their main business. Given the battered valuations of most PSBs, raising new capital entails considerable equity expansion and a steep dilution in government ownership of these banks. This may not be desirable to retain public confidence in distressed banks. Two, cutting the apron strings will ensure that these banks do not need to find the capital to fund the growth plans of these ventures. Three, with the stock market at lifetime highs, this happens to be an excellent time to float public offers and explore block sales of shares to institutions. Fortunes for sectors such as mutual funds, investment banking and depository services are highly correlated to the state of the equity markets, and the insurance sector has seen a spate of deals after its recent opening up to Foreign Direct Investment (FDI).

From a macro perspective, new listings by insurers or market institutions such as NSDL, NSE, UTI Asset Management Company and the Clearing Corporation of India can expand the pool of quality stocks, at a time when retail money is flooding equities. Listing will also ensure that the shareholding in these critical institutions is widely dispersed, reducing the room for undue influence by a few promoters. Without losing too much time, the Centre should nudge banks to commence a detailed valuation exercise for the disinvestment of non-core assets. To avoid crowding the market, PSBs with the highest proportion of stressed assets can be allowed to disinvest first.

**All India RRB Officers' Federation**

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(iv) A convention shall be held in New Delhi in July or August, 2017 wherein all leaders of sponsor Banks, State Secretaries of AIBOC and office bearers of AIRRBOF to draw should participate to draw strategies for accelerated growth of AIRRBOF/AIBOC coverage in RRBs.

In the evening under the auspices of Com. D. Franco Rajendra Dev, General Secretary AIBOC a meeting of State Secretaries of North Eastern States, General Secretary SBIOA (NE circle), Chairman, President, Vice President and General Secretary, AIRRBOF took place in the Office of GS, AIBOC. Elaborate discussion took place and action plan was decided upon to expand AIRRBOF/AIBOC presence in RRBs in NE States in time bound manner.

The detailed circular on 84<sup>th</sup> Meeting of EC to be issued by AIBOC shall be reproduced in due course.

Circular # 49:2017

10<sup>th</sup> July, 2017

**SALARY REVISION NEGOTIATIONS IN BANKING  
INDUSTRY MERGER OF PUBLIC SECTOR BANKS**

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 37 dated 8<sup>th</sup> June, 2017.

“We have sent a communication to the Chairman/ CEO of all Public Sector Banks on the captioned subject.

A copy is enclosed for information”.

Letter No: AIBOC/2017/30

Date: 05.07.2017

**To All Chairman/ CEO of Public Sector Banks**

Madam/ Dear Sir,

**SALARY REVISION NEGOTIATIONS IN BANKING INDUSTRY  
MERGER OF PUBLIC SECTOR BANKS**

At the outset, I would like to extend heartfelt greetings on behalf of the AIBOC, an organisation representing 3,20,000 Bank Officers in the Banking Industry covering Public Sector, Private Sector, RRBs and Co-operative Banks.



Mere merger and acquisition of weaker Bank's would not help to get rid of problems which needs a deeper introspection rather than an abrupt remedial measure. Instances from past can be illustrated how mismanaged and ill timed mergers or acquisitions of huge multinationals had resulted in huge chaos. A recent experience, being the instance of merger of Associate Banks with SBI resulting in a loss of 391 crores for the first time in the history of SBI. The Chairman of SBI has accepted that the pain is there to continue. The formation of Banks Board Bureau, National Company Law Tribunal, Insolvency and Bankruptcy code and now Financial Resolution and Deposit Insurance Authority are only steps towards privatisation which is not in the interest of the country. The removal of Development Finance Institution is consequently forcing the banks to lend to infrastructure. Conversion of DFIs into Private Bank is also compelling the Banks to lend to Telecom & Power Sector and asking them to have provision for even standard assets. Changing NPA norms every now and then and all afore mentioned steps are only gimmicks to blame the banks. There is an old saying which goes like "Call the Dog mad and shoot". In view of the foregoing, I would like to request you to raise your voice against the merger of public sector banks and the retrograde policies of the Govt. and RBI. The Preamble of the Financial Resolution and Deposit Insurance bill illustrates that it is to establish a framework to carry out the resolution of certain categories of financial service providers in distress, to provide deposit insurance to consumers of certain categories of financial services and for designation of Systemically Important Financial Institution of Central Govt. for resolution. The bill covers SBI, Public Sector Banks, RRBs, Co-op Banks, LIC and GIC, which are already controlled by RBI, Finance Ministry and IRDA. The aim appears to give out-and-out power to the authority which will be larger than the prevailing authorities. The most dangerous clauses are, "Notwithstanding anything contained in any other law, this Corporation / Authority will have powers to liquidate RRBs, SBI, LIC, GIC, Public Sector Banks & Co-operative Banks." It is really surprising to see why this draconian power is being vested to one authority.

3. We are enclosing a few publications of AIBOC in recent times on the above mentioned issues which may enable you to put strong arguments in favour of the Public Sector Banks.

Thanking you in anticipation.

With regards,

(D. T. Franco)

**GENERAL SECRETARY**

Circular # 50:2017

10<sup>th</sup> July 2017

**INDUSTRIAL UNREST IN UCO BANK NOTICE OF  
STRIKE BY ALL INDIA UCO BANK OFFICERS` FEDERATION**

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 38 dated 8<sup>th</sup> June, 2017.

"We have sent a communication to the Management of UCO Bank on the above subject. A copy is enclosed. We note to keep our members advised of further developments".

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**30<sup>TH</sup> ANNUAL GENERAL COUNCIL MEETING OF TRIPURA GRAMIN  
BANK OFFICERS' ASSOCIATION AT AGARTALA ON 8<sup>TH</sup> & 9<sup>TH</sup> JULY, 2017**

Tripura Gramin Bank Officers' Association having its area of operation spread over the North Eastern State of Tripura is one of the oldest affiliated units of our Federation. In line with the great tradition of the Association General Council Meeting was conducted in a befitting manner at Muktheadhara Auditorium, Agartala on 8<sup>th</sup> & 9<sup>th</sup> July, 2017.

The open session of the General Council Meeting was held in the afternoon of 8<sup>th</sup> July, 2017. The Chief Guest of the occasion was Shri Upendra Sabar, the Ex-Chairman of the RRB and Dy. General Manager, RRB & FI of United Bank of India and Com. S.K. Bhattacharjee, General Secretary, AIRRBOF & Advisor, AIBOC. The leadership of State Bank of India Officers' Association (N.E. Circle), United Bank of India Officers' Association and the fraternal Trade Unions of the Bank were conspicuous by their attendance.

The Meeting was inaugurated by lighting of traditional lamp by the dignitaries present. Before that all the leaders & guests on the Dias were felicitated by floral tributes and the Traditional Scarves by the lady officers of the Bank. The opening song was rendered by Smt. Rina Majumdar, an officer of the Bank. Welcome address was rendered by Com. Sajib Deb Barma, President of the Association. Thereafter, Shri Upendra Sabar rendered his well spelt out address where he thanked all the officers & employees for the turning around of Tripura Gramin Bank (TGB) and also emerging as the best RRB of the Sponsor Bank. Shri Dipankar Ambuly, General Manager of the Bank in his short address felicitated the officers.

The General Council Meeting was felicitated by Com. B.P. Saha, President and Com. C.K. Taran, General Secretary of TGB Retirees Association. The house was felicitated also by Com. Bishnupada Barman, State Secretary, AIBOC and all other leaders of fraternal Trade Unions. Com. S.K. Bhattacharjee in his short address shared with the audience the move of the Govt. of India to change the Public Sector character of Commercial Banks and RRBs. He advised the members to observe 22<sup>nd</sup> Aug. 2017 strike in which the issue of extension of Pension to RRB officers shall also be included. He informed that AIBOC planned a convention in New Delhi on 17<sup>th</sup> July to focus development on RRB Officers' Organisation under AIBOC/AIRRBOF. He stressed that members should spare more time for the Organisation and TGBOA should emerge as the only Trade Union of officers. He called for interactive session with members so that ideas can be shared and meaningful exchange can take place. He wished the two days General Council Meeting to come out as a grand success.

The General Body Meeting was also addressed by Com. Subhasis Bardhan, Central Committee Member, who stressed on united movement. Com. Mrinal Bhowmik, General Secretary, TGBOA also spoke on certain issues. Formal vote of thanks was rendered by Com. Partha Debnath. The entire programme was very ably compared by Com. Jit Bhattacharjee.

In the delegate session that followed, the Report of the General Secretary was read out by the General Secretary and interaction took place. General Secretary, TGBOA clarified the points raised by member. Com. S.K. Bhattacharjee, GS, AIRRBOF also placed his views on the developments in regard to superannuation benefit, the challenges before RRB and the future road map drawn by AIBOC/AIRRBOF. At the end of the delegate session vote of thanks was rendered by Com. Partha Debnath.

Election to the Central Committee was conducted by the State Secretary, AIBOC Tripura State Unit who functioned as Returning officer along with a team. Fifteen members of the Executive Committee were elected. Later on, the 1<sup>st</sup> meeting of the newly elected body took place and a new team of office bearers were elected with Com. Bibhas Singha as President, Com. Mrinal Bhowmik as General Secretary and Com. Pradip Kumar Roy as Treasurer.

AIRRBOF wishes all the best to the new team and pledges full help and support.

Circular # 52:2017

11<sup>th</sup> July 2017

**CORE COMMITTEE OF AIRRBOF  
HELD MEETING IN NEW DELHI ON 10<sup>TH</sup> JULY, 2017**

The Core Committee of AIRRBOF which was constituted in the 62<sup>nd</sup> Meeting held at Rajkot on 27<sup>th</sup> Nov. 2016 held its 1<sup>st</sup> Meeting at Hotel Chanchal, New Delhi on 10<sup>th</sup> July 2017. The Meeting was presided over by Com. R. G. Makhija, President on the chair. The attendance in the Meeting was good.

At the outset General Secretary briefed the house on the development in the intervening period. Members interacted on the issues. In view of the delayed hearing of the Hon'ble Supreme Court members expressed their annoyance. In view of the ensuing meeting of the General Secretary Sponsor Bank Officers' Association and State Secretaries called by GS, AIBOC certain strategy were decided upon.

It was decided that the following issues shall be highlighted in the 17<sup>th</sup> July Meeting.

- (i) Direct intervention of AIBOC in the matter of Superannuation Benefit to RRBs at par with Public Sector Banks.
- (ii) Induction of President/ General Secretary of RRB Officers Association in the Executive Committee of Sponsor Bank Officers Association/ Federation.
- (iii) Intervention of Sponsor Bank Officers Association in release of Part B of the other allowances as per Govt. of India Circular.
- (iv) Extension of Check-off facility in all RRBs.
- (v) Constitution of Consultative Committee at Sponsor Bank HO level comprising of principal Office Bearers of Sponsor Bank Association and RRB Officers' Association to hold periodical Meeting with Sponsor Bank Management on the RRB Issues.



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- (vi) Extension of Special Leave as per IBA Norm.
- (vii) Introduction of Relaxation in eligibility criteria in promotion in RRBs.
- (viii) Adoption of IBA Membership by SBI sponsored RRBs at the earliest.
- (ix) Holding of Review Meeting by GS, AIBOC involving Sponsor Bank Officers' Association, State Secretaries and principal Office Bearers of AIRRBOF coinciding with AIBOC EC Meeting.

The Meeting remained very fruitful.

Circular # 53:2017

12<sup>th</sup> July 2017

## **CEREMONIAL PRESENTATION OF MEMORANDUM TO PRESIDENT OF INDIA IN NEW DELHI ON 11<sup>TH</sup> JULY, 2017**

The issue of extension of Pension is a long standing issue torching the psyche of the officers & employees of RRBs for more than a decade. In the last day of office as Finance Minister of India, Shri Pranab Mukherjee signed the file on Pension Payment which set the process of Govt. of India submitting affidavit linking Payment of profit with P & L of RRB & other consideration. We deem it appropriate to submit a Memorandum to the same Shri Pranab Mukherjee who now occupies the highest office of the country of President of India. A delegation of our Federation comprising of President, Vice-Presidents and General Secretary of AIRRBOF, with prior appointment submitted, in a ceremonial way a Memorandum reflecting the emotions of the officers & employees of the RRBs to the President of India in the evening of 11<sup>th</sup> July, 2017 in the office of the President at Rashtrapati Bhavan. Shri Pranab Mukherjee accepted our Memorandum and assured to take up the issue appropriately with the Finance Minister of India. We attach the Memorandum for your information.

AIRRBOF shall leave no stone unturned to achieve our demand of Pension Parity.

### **ANNEXURE** **MEMORANDUM**

Date: 10<sup>th</sup> July 2017

To  
Shri Pranab Mukherjee,  
Hon'ble President of India,  
Rashtrapati Bhavan,  
Raisina Hills,  
New Delhi - 110001

Respected Sir,

### **RRBS - ISSUE FOR YOUR CONSIDERATION**

We are really grateful to you for giving us an appointment despite of your busy schedule.

We shall crave leave to draw your kind attention to the following issue concerning over 45000 officers and 35000 employees working in 56 RRBs in the country.

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Circular # 55:2017

18<sup>th</sup> July 2017

**AIBOC MEETING TO STRENGTHEN RRB OFFICERS'  
ASSOCIATIONS UNDER THE FOLD OF AIRRBOF HELD IN  
NEW DELHI ON 17<sup>TH</sup> JULY, 2017 REMAINED A GRAND SUCCESS**

AIBOC in its last Executive Committee Meeting held in Chennai on 2<sup>nd</sup> July, 2017 resolved to take concerted efforts to strengthen Officers' Association in RRBs and to that end in view take whatever initiative is required to be taken. Accordingly, General Secretary, AIBOC convened a Meeting of the General Secretaries of Sponsor Banks, State Secretaries of AIBOC as well as Office Bearers of AIRRBOF. The venue was fixed at Constantia Hall, YWCA, Delhi and the date is 17<sup>th</sup> July, 2017.

President, General Secretary and other important Office Bearers of AIRRBOF attended the Meeting in good numbers. A few Sponsor Bank Officers' Federation, General Secretary, quite a large number of State Secretaries and the General Secretary, AIBOC took active part in the Meeting.

With the initial remarks of Com. D.T. Franco Rajendra Dev the meeting got underway. General Secretary, AIRRBOF narrated in detail the genesis of RRB Officers' Movement, the role played by Sponsor Bank Associations, the demands concerning RRB officers and their expectations. He thanked Com. Franco for taking the initiative and exuded confidence that the efforts shall lead to stronger RRB Officers' Movement. Com. R.G. Makhija, President, AIRRBOF also narrated in brief the issues, concerns and the expected road map for strengthening RRB Officers' Movement.

Thereafter, General Secretary, AIBOC requested AIRRBOF Office Bearers to share their concerns and suggestions. The following Office Bearers of AIRRBOF spoke before the house:

1. Com. Srijan Pal
2. Com. K.M. Shukla
3. Com. Dhananjay Kumar Singh
4. Com. B.L. Khandelwal
5. Com. P.C. Panda
6. Com. Anjanappa
7. Com. P.N. Madhusudan
8. Com. J.K. Singh
9. Com. N. David Vijay Kumar
10. Com. Mrinal Bhowmik

In the post lunch session the representatives of Sponsor Bank Officers' Federation and the different State Secretaries narrated the position in their respective RRBs and expressed full help to strengthen RRB Officers' Movement. Com. G.V. Manimaran, Sr. Vice-President, AIBOC and General Secretary, Canara Bank Officers' Association, Com. Manoj Wadnekar, Vice-President, AIBOC and General Secretary, All India Central Bank Officers' Federation spoke at length the steps taken, contemplated and the action plan to bring in more affiliates from RRB sector and extend help to the existing units. Com. Rupam Roy, General Secretary, State Bank of India Officers' Association (NE Circle) also spoke on the occasion and assured to take all steps to hoist AIBOC flag in all uncovered RRBs in NE States.

In summing up the discussion Com. D.T. Franco shared his perception, the need for strengthening RRB Officers' Organisations and laid out clear road map for the purpose. He elaborated at length the modus operandi planned for the purpose. He declared that strengthening RRB Officers' Organisation is the priority for AIBOC.

At the concluding stage Dr. D.S. Chauhan, General Secretary, NABARD Officers' Association spoke on the changing scenario before RRBs and the challenges ahead. In regard to restructuring of RRBs. Dr. Chauhan was harping on consolidation of all RRBs into one to which Com. S.K. Bhattacharjee, General Secretary, AIRRBOF sharply reacted and emphasised that merger of RRBs with Sponsor Banks is the demand of AIBOC. Dr. Chauhan assured full fraternal support to movement of RRB officers.

The Meeting to strengthen RRB Officers' Association under the banner of AIRRBOF / AIBOC remained a grand success.

Circular # 56:2017

26<sup>th</sup> July, 2017

**NATIONAL YOUTH CONVENTION IN KOLKATA ON 26<sup>TH</sup> & 27<sup>TH</sup> AUGUST**

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 41 dated 24<sup>th</sup> July, 2017.

"We are delighted to announce that as resolved in the last Executive Committee Meeting of All India Bank Officers Confederation, a National Youth Convention has been planned at Kolkata on 26<sup>th</sup> & 27<sup>th</sup> August, 2017. AIBOC has embarked on a mission to involve a larger section of the youth in Association activities and develop future leadership to carry forward the legacy of our mighty organisation. Incidentally, by 2020, India is set to become the youngest country in the world with the median age of 29 years.

The 2 day National Youth Convention, the first of its kind, in the history of the Confederation is being organized with the primary focus of raising awareness among young officers about the need to stay consolidated, united and to make them aware of the socio-economic-political scenario of the country. This would be an ideal platform to exhibit their potential leadership qualities and showcase their talents in various spheres in front of the central leadership. We feel there is disconnect between the youth and the senior leaders in most of the organisations. There is a myth that the youth are reluctant to join Trade Union activities. However, the undersigned feels that youth often identifies strongly with its principles and values and would be more than willing to join the cause if guided properly and accorded responsibility. In the recently held 11<sup>th</sup> Triennial General Council Meeting at Jaipur, we witnessed the participation of a large of contingent of youth, who demanded that they should be given due recognition and responsibilities.

We, therefore, request all the affiliate organizations/State Units to take note of this and prepare the list of participants within the age below 35 years and ensure the maximum possible participation of our youth comrades, to make the event a grand success. A Facebook page has been created for the event: <http://www.facebook.com/groups/nyc17>. The details of the convention will be made known by way of another circular. We place on record our appreciation to our West Bengal State Unit for arranging the Convention at the shortest possible notice.

The number of delegates will be the same as provided for the triennial General Body of each affiliate and the affiliates will meet their travel and accommodation cost as practiced for the GB. Let us create a vibrant Trade Union of Youth and Save Public Sector”.

Circular # 57:2017

26<sup>th</sup> July, 2017

**SAVE PUBLIC SECTOR DAY CELEBRATED  
IN A HISTORIC WAY AIBOC LEADS FROM THE FRONT**

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 42 dated 24<sup>th</sup> July, 2017.

“On the occasion of the 48th anniversary of bank nationalisation in India, the All India Bank Officers Confederation (AIBOC), the largest officers" organization having membership of around 320000 officers observed July 19 as Save Public Sector Day all over the country under the banner of United Forum of Bank Unions (UFBU).

The members participated actively by wearing a commemorative badge on the day, displaying posters in front of all branches, distributing leaflets and holding rallies/demonstrations at all centres across the country. Members also distributed the leaflets to the public with the motto of creating awareness about the significance of public sector among the citizenry and its contribution towards Nation building.



We are very much optimistic that our demonstration and procession will send a very strong message to the policy makers and we are also hopeful that along with our members, our compatriots from the other spheres will also extend their support to our endeavour of saving all the public sector undertakings in our country by thwarting the evil designs of the government.

The Whatsapp video by Com. D.K. Sharma, one by PNB Comrades and the slogan raining video by Bengal Comrades were circulated.

We congratulate our membership for the excellent show of strength and appeal to you all to be ready for next series of agitation programmes”.

## **PRESS CORNER**

### **FINMIN ASKS PSBS TO WORK TOGETHER TO HIVE OFF CONSORTIUM LOANS GONE BAD**

If public sector banks have collectively given a company a project loan, which then turns sour, they should not break ranks and sell the loan piecemeal to asset reconstruction companies (ARCs), according to the Finance Ministry.

Instead, they should sell the ‘consortium loan’ lock, stock and barrel to an ARC or a consortium of ARCs.

The ministry believes that collectively, public sector banks (PSBs) can realise better pricing on the sale of a project loan given in consortium rather than by doing so singly. A project loan is given by lenders to finance new projects as well as for expansion, diversification and modernisation of existing ones in infrastructure and non-infrastructure sectors.

At a meeting of bankers, ministry mandarins suggested that when it comes to consortium loans that have turned bad, PSB officials, under the aegis of the joint lenders’ forum (JLF), should act together to take a call on sale of such loans to ARCs.

Further, even if one bank in a consortium wants to sell its portion of the loan, the JLF needs to be convened.

A senior PSB official observed that there could be a variety of reasons why banks currently don’t collectively sell an asset that has been financed in a consortium: for instance, it could be because it impacts each of them in different ways.

“For example, for one bank, a Rs. 500-crore loan exposure may account for 1 per cent of its loan book, whereas for another bank it could be just 0.001 per cent. So, the former could think of its exposure a little differently in terms of the overall impact and may want to sell its part of the exposure quickly to get cash and securitised receipts,” he said.

Another reason why some banks hesitate to sell consortium loans together could be that they may have different security interests. The banker quoted above elaborated: “Their security packages may be different. Somebody may have exclusive security. I can’t put that in a pool and get paid on an average basis. I would prefer to sell that bilaterally. So, there could be variety of reasons why banks don’t act together.”

Another public sector banker said the ministry’s suggestion, if implemented faithfully, could yield better price discovery and higher realisation for consortium loans on the block.

**Source – The Hindu Business Line, 27<sup>th</sup> July, 2017.**

### **PANAGARIYA QUILTS NITI AAYOG, HEADED TO US**

NITI Aayog, the Narendra Modi government’s think-tank, is headless following the resignation of Arvind Panagariya, its Vice-Chairman. On July 26th, Panagariya wrote to the Prime Minister requesting to be relieved of his position. The move followed his failed attempts to get more leave from Columbia University.

Panagariya was Modi’s pick for the pivotal job when the government dissolved the Planning Commission and replaced it with the NITI Aayog, as committed in the BJP’s Election Manifesto of 2014.

The NITI Aayog chief had informed the Prime Minister about his leave position with Columbia University almost two months ago. “The announcement is sudden, but the decision was not sudden. My leave from Columbia University was for two years, and I have already done two years and eight months here. I did try for an extension but it did not materialise,” Panagariya told *BusinessLine*.

He has sought to be relieved by August 31. Had Panagariya decided to continue, it would have meant resigning from his teaching job at the University.

“There was a general feeling that the University may consider Panagariya’s request and extend his leave for at least another two years,” a person in the know of the development said.

Talk about his possible replacement is already doing the rounds. But will the government, which will now have only one economist in Arvind Subramanian, Chief Economic Adviser to the Finance Ministry, risk choosing another outsider or appoint a politician? Dismissing such talk, a senior official said: “First his resignation has to be acknowledged, then all these issues will be considered.”

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Professor of Indian Political Economy at Columbia University, Panagariya, 64, had been appointed as Vice-Chairman of the NITI Aayog by Modi in January 2015, soon after the think-tank was set up. He was previously Deputy Chairman of the Rajasthan Chief Minister's Advisory Council and had spearheaded reforms on tricky subjects, such as labour, in the State.

Some key decisions of the Aayog include doing away with the Five-Year Plans and preparing three roadmaps for the economy — the 15-year Vision Document, the 7-year Strategy Document and the 3-year Action Agenda.

With no role in allocating funds to the States from the Union Budget, the Aayog worked on reforms in healthcare and education and the Smart City initiative with State governments.

It also coordinated with the Finance Ministry on subjects such as advancement of the Union Budget and merger of the Railway and General Budgets.

“The NITI Aayog has not fully established its role but in most cases it takes time for a new organisation to chart out its own role and characteristics,” noted Pronab Sen, Country Director for the International Growth Centre's India Central Programme, and former Principal Advisor, Planning Commission.

“The role of NITI Aayog has been mixed to an extent because it has an inherently political structure that works along with the Prime Minister. Appointing a politician or a minister as the next Vice-Chairman may be a better move,” said an analyst, on condition of anonymity.

**Source – The Hindu Business Line, 2<sup>nd</sup> August, 2017.**

### **APEX COURT RESERVES ORDER ON 100% DA NEUTRALISATION FOR PRE-2002 BANK RETIREES**

The Supreme Court on August 1 reserved judgment in a petition filed by various organisations seeking 100 per cent neutralisation of DA for pre-November 2002 bank retirees. Senior counsel who represented the bank management (Indian Banks' Association) vehemently argued that there was no case of discrimination, as is being alleged, between pre- or post-2002 retirees.

The employer has a right to restrict the applicability of new benefits/improvements to future retirees and for that purpose the cut-off date of November 1, 2002, was in order.

The counsel also argued that making the 100 per cent DA neutralisation applicable to all past retirees would involve huge financial burden on banks.



Kumar will succeed Arvind Panagariya, who had recently quit as Vice-Chairman of NITI Aayog. Kumar's appointment has come within a week of Panagariya putting in his papers.

Panagariya, who was Prime Minister Narendra Modi's pick for the top job at NITI Aayog, had quit the post to return to the academic world and requested that he be relieved of his post by August 31. Indications are that Kumar would assume charge from September 1.

Meanwhile, the Centre has also appointed Vinod Paul, a Paediatrician at AIIMS, as a member of NITI Aayog.

Kumar is currently a senior fellow at the Centre for Policy Research, a non-governmental think tank on public policy based out of New Delhi.

He had also been part of a government appointed high-level search panel that went into the appointment of regulators in the Indian financial sector. Kumar, who holds a DPhil in economics from Oxford and a PhD from Lucknow University, had served as Director & Chief Executive of the Indian Council for Research on International Economic Relations (ICRIER).

The new Vice-Chairman had also served as FICCI Secretary General and Chief Economist at Confederation of Indian Industry.

He had been a member of the National Security Advisor Board between 2006-08. Kumar had held senior positions in the Industry Ministry, Finance Ministry and in the Asian Development Bank.

Reacting to Kumar's appointment, the Federation of Indian Chambers of Commerce and Industry (FICCI) said that the prompt decision will help the government think-tank maintain continuity in its policy advocacy work.

"FICCI welcomes the appointment of Rajiv Kumar as the new Vice-Chairman of NITI Aayog," the chamber said in a statement.

**Source – The Hindu Business Line, 7<sup>th</sup> August, 2017.**



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# AIRRBOF News Letter

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**The Voice of All India  
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