



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

EDITORIAL

THE CHARM OF KALAM

It is hardly surprising that APJ Abdul Kalam will be remembered as India's most popular President. His rise from the son of a boat owner in remote Rameshwaram to one of the movers behind the Pokhran II nuclear tests in May 1998, and finally to the highest office of the land tells a story for a young, aspirational country. He represented the liberating power of education for the poor and lower middle-classes; the role of technology in stamping India's place in the world order; and, above all, the importance of leadership skills in achieving major goals. Kalam was an important figure in India's satellite and missile programmes, having played a role in developing the Agni and Prithvi missiles and the PSLV and SLV-III satellite launch vehicles. This was a triumph of his ability to motivate a team of highly skilled professionals to go flat out in the national interest. It was his nationalist impulse that culminated in the successful nuclear tests of May 1998. And, it was in no small measure due to him that India developed its indigenous space and defence capabilities in the shadow of the sanctions that followed. Kalam embodied the 'Make in India' spirit long before the expression had been coined. In an interview to *Frontline* in September 1998, soon after the Pokhran tests, he said that "developed India" should be a strong, food-secure economy, with a "self-reliant" national security system and a "standing in the world". It may seem like an oversimplified prescription, but that was Kalam — he invariably stuck to the bald basics in a beguilingly complex world, inviting both praise for his clarity and criticism for his seeming lack of nuance.

At the root of Kalam's charm was his almost naïve positivism, which stood out in sharp contrast to the overall cynicism in our midst. He spoke incessantly on the potential of education and good health to liberate the country from social evils, including communalism. But Kalam was also the product of a certain socio-political context. His personal secularism, reflected in the ease with which he accepted Hindu culture, drew unfair criticism from his adversaries, who claimed this made him a model Indian Muslim in the eyes of the Sangh *parivar*. This subtle labeling ensured he was not as apolitical a figure as he was in real life.

President Kalam was no rubber stamp. After the Gujarat riots, he surprised everyone by visiting relief camps there. His biggest political error was to endorse President's rule in Bihar in 2005. As if to make up for this lapse, he returned the 'office of profit' Bill to the UPA government for reconsideration, and for good reasons. That probably cost him another term. Kalam remained the peripatetic teacher till he breathed his last; his manner unaffected by power, or the absence of it. His intellectual simplicity was what endeared him to the people.

All India RRB Officers' Federation

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

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

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



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

2 | Page

ENRICH YOUR KNOWLEDGE:

BANKS SUFFER, BUT THE CEOS GO SCOT-FREE

A study of the financial results of Corporation Bank for the year ended March 2015 (as published in the Editorial of this journal last month) was educative to me. The total business has gone up from Rs.3,30,479 in 2014 to Rs.3,44,412 crores, registering a growth of less than five per cent. The gross non-performing assets have gone up steeply from Rs 4737 crores in 2014 to Rs.7107crores in March 2015. The net profits have further come down from Rs. 584 to Rs.562 crores.

Out of personal curiosity I checked up the figures over the last seven years from 2008. The Bank's total business in March 2008 was Rs. 1,28,466 crores and net profit Rs.735 crores. They went up to Rs 2,36,611 and Rs.1506 crores respectively by 2012.

Then I recalled the incidents of 2008-10. The then CEO, J.M. Garg hired the services of a retired General Manager of Indian Bank to advise Corporation Bank about a long range plan. As per that plan the Bank was to reach a total business figure of Rs.5,00,000 crores by March 2015. J.M. Garg got the LRP approved in the Board just one month before he laid down his office in July 2010. In my farewell address to the Board in December 2009, I had suggested that if that goal was to be reached it was necessary for the management to take the people together. Did that happen?

The achievement of the Bank fell far short of the target fixed by Garg under his short regime of less than two years. Some of his successors emulated him: they 'evolved' new plans which were anyway easy; like him they treated employees as chattels. They would graft an alien work culture into an institution which had a tradition of over a century. Their tenures ranged from 13 months to less than three years. During each period, organisational setup was repeatedly overhauled with new nomenclatures and new posts in the top (compared to peer group banks). Two or three CEOs spent more time outside the headquarters than in Mangaluru. Wherever they went, officers were at the receiving end as documented in different places including this column.

If the managers and zonal heads fail to reach the business goals unilaterally fixed on them they are hauled up over the coals. Many are subjected to cross country shifts. Some of them are denied their promotion notwithstanding their consistently good performance throughout except the previous financial year. In the interviews for promotion they are questioned for 'failure'.

Two lessons arise out of the Bank's lackadaisical performance. One, there is no alternative to taking people into confidence as your colleagues and treating them as valuable resources. As I had long back mentioned in an editorial of Officers' Voice, the effort should be to bring back the smile in their face. A pat on the back for the good work, a word of recognition, a humane approach are measures which do not cost money but help win the confidence of even the most cynical employee.

The second, the CEOs should be made answerable to the failure in reaching the business parameters. As of now, whether the Bank reaches the levels or not, they and the Executive Directors promptly draw their cash incentives running into lakhs. Many of them, post retirement, also secure assignments in statutory or quasi-governmental bodies. Herein comes the need for a second measure which is at the policy level: fixing

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

3 | Page

accountability on the CEOs for their failure to meet minimum performance levels. That can be done, however, only if they have a reasonably long term. But a term itself is no guarantee to ensure accountability. There has to be a machinery for an annual evaluation of the performance of every CEO in relation to the parameters achieved in the past and those fixed for the evaluation year.

It is time that the policy makers at the industry level opened their eyes. Otherwise banks and the employees will suffer but the CEOs will go scot-free!

Courtesy : Officers' Voice, July, 2015

EXCERPTS FROM AIRRBOF CIRCULARS

Circular # 57:2015

4th July 2015

CREATION OF CORPUS OF PENSION FUND FOR PAYMENT OF PENSION IN RRBS AT PAR WITH PUBLIC SECTOR BANKS

We reproduce hereunder the text of the letter written by the Federation on the captioned subject to the Chairman, NABARD & Pension Committee, for your information & necessary action.

"We beg to refer to the interactions during the course of three meetings of the Pension Committee held with Apex Level Trade Unions in RRBs & other stakeholders.

It is admitted fact that several High Courts including Hon'ble High Court of Rajasthan at Jodhpur has given their judgement for extension of Pension Scheme in RRBs in line with PSBs and GOI, DFS had also accepted in principle the fact that pension in line with the scheme prevailing in the PSBs is to be extended in RRBs. The same was admitted before the Hon'ble Supreme Court through an affidavit submitted by DFS.

The Hon'ble Supreme Court in an interim order directed both the petitioners, DFS, and the respondents, Apex Trade Unions, other Unions and Pension Samity to explore all means to arrive at a consensus to provide pension at par with PSBs. All the respondent Unions & UFRRB had submitted written view points to Pension Committee which was constituted by DFS flowing out of the interim order of the Hon'ble Supreme Court.

Pension Committee, with you as Chairman, had held three meetings but despite of our urging no proceeding had been provided to us for our record. However, after 25th June meeting we got actuarial Report and findings of Pension Committee in which deficit of 5876.48 Crores has been shown.

After going through entire calculation by Pension Committee we have come to the conclusion that the basic factor of introducing Pension Scheme in RRB in line with PSBs has been ignored. In this context we would like to point out that **price index linked Pension Scheme has been introduced in PSBs in lieu of provident Fund** as second retiral benefits and it was made feasible in PSBs as PF contribution has been made as follows:

01.09.87(the date of effect of Pay parity in RRB): 8.33% of Pay,

01.11.1987 to 31.12.1988: 10% of 80% of pay,

01.01.1989 to 31.12.1989: 10% of 90% of pay,

01.01.1990 onwards: 10% of full pay.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

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

No. 08

4 | Page

Consequent upon the implementation of NIT Award read with Equation Committee Report, certain changes were to be brought about in service Regulations etc. in RRB. It was, therefore, on instruction of GOI, NABARD constituted a Working Group under the Chairmanship of Shri RC Gupta, then CGM, NABARD, to advise GOI on several issues of service condition of officer & employee of RRBs. Other members of the working Group were then Under Secretary(RRBs), Banking Division, MOF, GOI, then Joint Chief Officer, RPCD-RBI, then DGM, SBI, then CM (HRD) BOB, then Dy. Divisional Manager, Syndicate Bank and then Asst. Personnel Advisor, IBA apart from Shri K. Gopalan, then GM, NABARD as Secretary to Working Group.

With regard to PF Contribution, the Working Group recommended as follows under para 4.16:

"For the purpose of bringing the staff of RRB on par with the staff of Sponsor Banks in the matter of contribution to Provident Fund, the Government of India may consider exempting the RRBs also from the provisions of the Employees Provident Fund and Misc. Provisions Act, 1952."

But, unfortunately aforesaid recommendation was not effected in RRBs. However, to put into effect the basic premise that the Pension Scheme to be extended to RRBs should be based on the PF & Pension payable to officers & employees of PSBs. Therefore, creating the notional corpus of Pension Fund by transferring the difference between the PF contribution as per the rate applicable to PSBs & actually paid in RRBs is imperative. In view of the fact that the Pension in PSBs was introduced as second retiral benefit in lieu of PF such calculation is the basis of arriving at the exact pension corpus to be available in RRBs for Pension Payment. Regrettably, the Pension Committee is bypassing the basic premise and purely harping on the PF & Pension Corpus available with the RPFC. This is the greatest negative factor of calculation of Pension Corpus which we very much protest. Unless this said recommendation of the Gupta Committee is notionally be made effective with retrospective effect in RRBs, the principle of ensuring Pension parity in RRB in line with PSBs would be imperfect.

So far as apprehension of Pension Committee that after PF provisioning/ calculation/contribution at par with PSBs there would be dip in CRAR in RRBs, we very much differ. In this regard we would like to point out that in early 2000s there was no prescribed CRAR for the RRBs. In 2005, based upon the recommendation of an internal working group, the RRBs were asked to maintain a capital to risk weighted asset ratio at 5% and over the period of time they were expected to align themselves to Basel I standards.

During the review carried out by GOI in the year 2009 it was found that the CRAR of the RRBs were too low. Therefore, Dr KC Chakraborty Committee suggested bringing of CRAR of RRBs to at least 9 percent in a sustainable manner. The Committee inter-alia suggested recapitalization support to the extent of 2200 crore to 40 RRBs.

Payment of salary, allowances, PF & Pension for officers & employees of RRBs were equated to those available in PSBs by NIT and Hon'ble Supreme Court. Hence, the ghost of CRAR cannot cloud the views of the Pension Committee to accept the basic premise of creation of notional corpus for pension fund by transferring the amount of PF contribution that would accrue when we accept pension in lieu of PF as per the scheme in PSBs.

We are of the firm opinion that it notional calculation of PF is done taking the difference between PSB Scheme & RRB Scheme no notional deficit will be there in the Pension corpus. So, therefore, the payment of pension shall be feasible in RRBs in line with the scheme existing in the PSBs".

All India RRB Officers' Federation

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

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

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



Circular # 58:2015

13th July 2015

**INDEFINITE STRIKE BY DBOO- THE INDOMITABLE SPIRIT OF FIGHTING COMRADES
STRIKE IN KERALA ON 15TH AND 16TH JULY, 2015— CONCILIATION TALKS TODAY**

We reproduce hereunder the text of All India RRB Officers' Confederation Circular No. 48 dated 13th July, 2015.

"The indefinite strike of DBOO has entered 32nd day today! It is 13th day of indefinite hunger strike at Thrissur, where two young lady comrades Archa Rani and Anjali Kartha have been observing the indefinite hunger strike for the sixth day! At Kollam, fasting of Com. Abhilash has entered 5th day. The indefinite hunger strike has been continuing at Thiruananthapuram for more than a fortnight. Hats off to these determined, militant and enthusiastic young comrades, who are so focused in their aims not only to protect the basic rights of any Trade Union but to safeguard their beloved Institution, the Dhanlaxmi Bank!

We wish to advise that subsequent to our notice for two days strike on 15th and 16th July, 2015, the Dy. Labour Commissioner has invited the Management and our Confederation for talks today in which Central leaders of the Confederation as well as representatives from Kerala State Committee along with representatives of DBOO would be participating. The outcome of talks will be advised to you in due course.

We have been keeping our members apprised through circulars that we have simultaneously been exploring the route of political lobbying to resolve this unduly prolonged crisis. We are happy that all Political Parties, MPs and MLAs in the Kerala State have been extending their full support and resultantly, Home Minister of Kerala State has called the Dhanlaxmi Bank Management and AIBOC leaders, today for a talk, at Thiruananthapuram to resolve the issue.

We sincerely wish that the Management leaves its stubborn attitude to understand the gravity of the situation and come forward for an amicable solution. Meanwhile, we appeal our members not to relent on the preparations for the strike.

**MARCH ON ! MARCH ON !!
MAKE THE KERALA WIDE STRIKE OF 15TH AND 16TH JULY, 2015 A GRAND SUCCESS!!
OUR UNITY... LONG LIVE! DBOO.... LONG LIVE!! AIBOC... LONG LIVE!!!"**

Circular # 59:2015

13th July 2015

**CALL FOR TWO DAY STRIKE ON 6TH &
7TH AUGUST, 2015 IN ALL RRBS GIVEN BY UFRRBU
TO CLINCH ISSUES LIKE PENSION, SALARY REVISION ETC.**

You are aware that the call for one day strike prompted the Govt. of India, DFS to advise NABARD to discuss the issues in a Special JCC Meeting. However, the Special JCC Meeting could not offer any solution as the NABARD informed that they can only recommend to Govt. of India. Such words of NABARD did not cut much ice with UFRRBU. The conciliation called by Dy. Chief Labour Commissioner (Central) in Mumbai on 29th June, 2015 also could not arrive at any settlement as the representative of Govt. of India, DFS was not present and the representative of NABARD pleaded their helplessness to offer any solution. In such background UFRRBU had no other recourse than to observe one day strike on 30th June, 2015. The Strike

All India RRB Officers' Federation
"JGGP HOUSE", Raja Rammohan Road, Hakimpura, Siliguri – 734001(West Bengal)
E-MAIL: 555airrbof@gmail.com/shyamalairrbof@gmail.com
WEB SITE: <http://www.airrbof.org>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

6 | Page

call given by UFRRBU remained a resounding success. However, even then Govt. of India, DFS did not show any sensitivity. Only Dy. Chief Labour Commissioner (Central) Mumbai called for conciliation on 4th August, 2015. On behalf of UFRRBU, CLC (c), New Delhi was requested to shift the Venue of the conciliation to New Delhi before CLC (c).

In the meantime we are gathering report that Govt. of India and NABARD combine did not make any progress in the issue of Salary Revision. Friends, this time we demanded that Salary & all other allowances should be paid to the officers & employees of RRBs by instructions of DFs without any tinkering of 10th Bipartite & Joint Note of officers dated 25th May, 2015. In regard to the Pension issue after our discussion with NABARD on 25th June 2015, from AIRRBOF we wrote a detailed letter to Chairman, NABARD pointing out the necessity of building of Pension Corpus by contribution to PF at the rate of Sponsor Banks. The affidavit of Govt. of India containing the broad contour of the discussion/negotiation with Association/Union is to be submitted to the Hon'ble Supreme Court of India by 6th August, 2015. However, we did not hear any progress from NABARD in this regard. The Compassionate Appointment Scheme in RRBs was withdrawn simultaneously with Public Sector Banks. However, when the scheme was once again made effective in PSBs, the same was not made applicable in RRBs. The introduction is being dragged on under different pretext. The draconian S.K. Mitra Committee recommendation on HR Policy in RRBs post CBS was unilaterally introduced in RRBs which cut down appointment & promotion of officers and effected outsourcing of office attendants in all small Branches. It is an affront to the work force of RRBs. The RRB Act Amendment diluted the share holding of Central Govt. & Sponsor Bank together to 51% where as in Public Sector Banks the share holding of Central Govt. only is 51%. We demanded of the DFS that the same policy be made applicable in RRBs which remained un-responded.

Under such circumstances the only course available before us is to intensify the agitation programme. Hence, in the Meeting of the UFRRBU held in New Delhi on 11th July 2015, all the constituents were of the opinion that we have to go for Two day strike while Parliament shall be in session. Accordingly, it was decided to hold two days Strike on 6th & 7th August, 2015. Other programmes like demonstration/ Dharna etc. are being circulated. Leadership of UFRRBU shall campaign in New Delhi from 3rd to 5th August 2015 to make all concerned including MPs aware of the issues and frustration of officers & employees of RRBs.

Friends, the two days strike were thrust upon us by DFS. We have to carry the battle and give them befitting reply. We are confident that with consolidated unity, Win We Must.

Circular # 60:2015

14th July 2015

STRIKE NOTICE FOR 6TH & 7TH AUGUST 2015

In terms of the Strike Notice served by UFRRBU to the Secretary, Dept. of Financial Services, Govt. of India on 11th July, 2015, we submitted a Strike Notice on the same day. The background of the Strike was thoroughly shared with you all in our Circular No. 59:2015 dated 13th July, 2015. This Strike Notice have been served to The Secretary, DFS, Chairman, NABARD & Chairmen, all RRBs. No separate Notice need to be submitted by the affiliates to their respective Chairman. A copy of the Notice should be submitted to the office of the Chairman of your RRB under acknowledgement. The Strike Notice is enclosed.

All efforts should be made to make the first ever two day strike call a grand success.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

7 | Page

Ref no. 2022:56:2015

11th July 2015

To
The Secretary,
Dept. of Financial Services,
Govt. of India,
Ministry of Finance,
Jeevan Deep Building,
Parliament Street,
New Delhi-110 001

Sir,

STRIKE NOTICE FOR 6TH & 7TH AUGUST 2015

In view of negative approach of NABARD as manifested before RLC(c) Mumbai during the course of conciliation on 29th June and non representation by DFS, GOI and any Chairman of RRBs, UFRRB had no other recourse than to go on strike on 30th June, 2015. Further, it has been observed that Department of Financial Services (DFS) of Ministry of Finance, GOI, had also not taken any initiative to consider our long pending legitimate demands. So, keeping in view all the developments, UFRRB in its meeting held on 11th July, 2015, in New Delhi unanimously decided to go on **two days strike on 6th and 7th August, 2015**, for realisation of the following issues:

1. Stoppage of privatization of RRBs,
2. Introduction of Compassionate appointment scheme in RRB in line with sponsor bank with retrospective effect.
3. Immediate introduction of Pension-PF scheme in line with Sponsor banks.
4. Implementation of complete Bipartite settlement & officers' Salary Revision in terms of NIT Award.
5. Simultaneous release of wage, allowance and other benefits related instruction by DFS to RRBs without passing the buck to Sponsor banks.
6. Scrapping of Mitra Committee recommendations on HR Policy.
7. Stoppage of outsourcing in RRBs.
8. Regularisation of part-time/ daily waged workers.
9. Payment of graduation increment to remaining newly recruited Office Asstt.
10. Uniform and equal gratuity payment scheme for RRB Officers and workmen.
11. Implementation of Sponsor Banks' Service Regulation in RRB in the interest of equity and justice and IBA should be declared as apex level negotiating Forum for RRBs too.

With regards,
Yours faithfully,
(S.K. Bhattacharjee)
GENERAL SECRETARY

All India RRB Officers' Federation
"JGGP HOUSE", Raja Rammohan Road, Hakimpura, Siliguri – 734001(West Bengal)
E-MAIL: 555airrbof@gmail.com/shyamalairrbof@gmail.com
WEB SITE: <http://www.airrbof.org>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

8 | Page

SHORT RECITAL OF THE CASE

1. Stoppage of privatization of RRBs:

Regional Rural Banks (RRB) was established with a view to develop the rural economy by way of providing required finance for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs.

Another prime objective of its establishment was the eradication of MAHAJANI PRATHA (money lending by rich people to poor in rural region on higher rate of interest). But, once again, by way of privatisation/disinvestment of majority of share of RRB, this rural financial institution is planned to be handed over to corporate sector and by way of such changes the image of this rural bank is to be tarnished.

In RRB Act amendment Bill it has been intended to decrease the central Govt. stake (presently 50%) to 16%. Further, it is apparent that Commercial banks stake has already been disinvested up to 49% and in RRB their stake is presently 35%, meaning thereby having 17.85% Govt.'s worth only. In this way, in case state Govt.'s present stake in RRB ie.15% would remain intact then entire Govt.'s holding (16%+17.85%+15%) would remain 48.85% > 51%, means direct privatization of RRB.

This action is against the interest of AAM ADAMI of nation particularly rural people of the country, who are the main customers of RRB's. Therefore, we demand invalidation of privatization of RRB.

2. Introduction of Compassionate appointment scheme in RRB in line with sponsor bank with retrospective effect:

Ministry of Finance, GOI, vide DO letter F.No.18/2/2013-IR, dated 7th August, 2014, reintroduced Compassionate appointment scheme in public sector bank, but in spite of our several reminders, it has not been reintroduced in RRB till date.

3. Immediate introduction of Pension-PF scheme in line with Sponsor Bank:

When Award of National Industrial Tribunal (NIT) was implemented by GOI, in 1991, an WORKING GROUP under the Chairmanship of RC Gupta, CGM-NABARD, was constituted by NABARD on direction of GOI for removal of anomalies of pay fitment etc and this working Group recommended on 17th Feb.1992, as follows:

" For the purpose of bringing the staff of RRB on par with the staff of sponsor banks in the matter of contribution to Provident Fund, the Govt. Of India may consider exempting the RRB also from the provisions of the Employees Provident Fund and Miscellaneous Provisions Act,1952." But, till date no PF parity has been introduced in RRB causing so called dearth of Pension Fund.

So far as introduction of pension scheme in line with Sponsor bank is concerned several High courts has Ordered Union Govt. of India for introduction of same scheme in RRB at par with other nationalized Commercial banks. But, in place of introducing the scheme in RRB an SLP has been filed before Apex court who had given direction to Union Govt. of India, on 26th Nov.2014, as follows:

"...parties are permitted to negotiate for an amicable settlement, without any preconditions.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

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

No. 08

9 | Page

The learned Additional Solicitor General representing the Union of India shall inform all learned counsel representing the Federations/Unions the modalities of the negotiation process. So as to ensure an effective and meaningful result, managements of the RRBs and all stake holders be also taken on board during the negotiations.

In case, the Federations/Unions seek any documents in connection with the ongoing negotiations and furnish a list thereof, the same shall be provided to them.

In case parties arrive at a mutual settlement, the same shall be placed on the record of this case within three months from today".

But, MOF did not take the direction in its right perspective and after lapse of three months a Committee under the Chairmanship of Chairman, NABARD, could be constituted on 2nd March, 2015 and once again, on 6th May, 2015, three months extension has been taken from Hon'ble Supreme court.

In this way solution of the pension issue is over delayed.

4. Implementation of complete Bipartite settlement & officers' Salary Revision in terms of NIT Award:

The relevant portion of NIT Award reads as under:

"What flows from my findings is that Officers and other employees of Regional Rural Banks (RRBs) are entitled to claim parity in the matter of Pay scales, allowances, other allowances and other benefits on par with corresponding cadres of the sponsor banks w.e.f. 1st Sept.1987".

The apex court of the country also clarified the position vide their Judgement dated 31st January 2001, as under:

"Hereafter, as and when the pay structure of the employees of the nationalised commercial banks get revised on the basis of any bipartite settlement, the Union Government should take a decision so far as the employees of the Regional Rural Banks are concerned, within a reasonable time and bearing in mind the conclusions, we have already arrived at, so that the so-called parity could be maintained".

The Nit Award is quite clear and apex court order is also reasonably apparent that **Bipartite settlement** is to be implemented in RRB with retrospective effect and no where it has been mentioned that Bipartite should be implemented halfway. But, MOF has not been notifying complete implementation of Bipartite settlement in its letter and spirit. Therefore, We demand full implementation of Bipartite settlement without any omission and commission.

5. Simultaneous release of wage, allowance and other benefits related instruction by DFS to RRBs without passing the buck to Sponsor banks:

Though public sector commercial banks and RRBs have been established under different enactment but so far as functioning both institutions are concerned, they are having no difference as BR Act, NI Act and RBI rulings for both institutions are having same relevance.

Moreover, it is admitted fact that RRBs performance in achieving target under Govt. sponsored programme is better than any other bank. However, RRBs are deprived of getting same treatment at par with its

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>



sponsoring public sector banks and Govt., MOF (DFS) instructions related to facilities and other benefits to staff of Commercial banks as well as RRBs are treated differently. Further, relevant instructions issued for other public sector banks are either delayed in passing to RRBs or denied which has been creating mass frustration amongst staff of RRBs and affecting their enthusiasm.

We, therefore, demand simultaneous effect of instructions in other Public sector banks and RRBs.

6. Scrapping of Mitra Committee recommendations on HR Policy:

At the time of constitution of Mitra Committee recommendation it has been told that the Committee has been constituted to recommend post computerization HR planning in RRB, but unfortunately the report has unilaterally been submitted without considering the views of representative (Trade Unions) of human resources of RRB and also imposed unilaterally affecting career of human resources/growth of the institution. The said Committee has under estimated the practical situation prevailing in RRBs and hypothetically fixed up the business for categorization of RRBs.

The basic fact is, per branch number of deposit as well as loan accounts are more than Commercial banks which needs more man-power for extending better customer services. This aspect has deliberately been ignored by the Mitra Committee and imaginary recommendations are submitted/implemented. Therefore, we demand scrapping of Mitra Committee recommendation and to evolve a judicious Man Power planning for RRBs.

7. Stoppage of outsourcing in RRBs:

Branches of RRBs are mostly located at remote rural sensitive centres where most illiterate and less educated customers are dealt with. The out sourced personnel having no statutory obligation to the institution or customers may be quite irresponsible to the cause of institution as well as customers and they may jeopardize the objective of establishment of RRBs. Therefore, outsourcing must be stopped.

8. Regularisation of part-time/ daily waged workers:

For a decade part-time /daily waged workers have been rendering their services in branches and administrative offices of RRBs, but in spite of clear legislation under the ID Act their services are not regularized so far. Therefore, we demand their regularization with retrospective effect.

9. Graduation increment to remaining newly recruited Office Asstt:

In terms of NIT Award and Equation Committee recommendations , which have been well accepted by Govt. of India, different posts of RRBs are being equated with corresponding cadres of Sponsor banks and consequently Assistants post of RRBs are equated with Clerical posts of Sponsor banks and same pay scales are prescribed for them. Presently , same agency, IBPS takes exam for both the institutions and after the final result ultimately one candidate goes to Commercial banks and another goes to RRB, but in a few RRBs newly recruited Office Assistants have been deprived of getting graduation increment where as in Commercial banks all graduate clerks are getting graduation increment since their joining. Further, it is most pertinent to mention that basic qualification for clerical posts prescribed by IBPS for both institutions is same. Therefore, non-payment of graduation increment in a few RRBs is unjustified and they should be allowed to get graduation pay with retrospective effect.



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

11 | Page

10. Uniform and equal gratuity payment scheme for RRB's Officer and workmen:

Gratuity Act is same for all institutions and in said act all eligible staff is termed as **EMPLOYEES**, but in RRB Officers and Employees are treated differently in payment of gratuity. This anomaly must be removed and same provision should be made for Workmen Employees as well as Officers Employees.

11. Implementation of Sponsor Bank's Service Regulation to RRB in the interest of equity and justice and IBA should be declared as apex level negotiating Forum for RRBs too:

RRB was established under RRB Act 1976 for an avowed objective and to operate at district level with its confined area of operation, but slowly and gradually its structure, functioning and area of operation have been expanded. Now, there is no basic difference in functioning of RRBs and its staff members in comparison to sponsor banks & its personnel. Both institutions are functioning under same statutory obligations of BR Act as well as NI Act. So far as the main ingredient of Service Regulation, ie. Pay structure etc, are also having parity. Therefore, there is no need of separate Service Regulation for both banking institution in the interest of equity and Justice.

So far as apex level separate negotiation forum for both institutions are concerned, it is pertinent to mention here that after the implementation of NIT Award as well as Equation Committee recommendation, NABARD, on direction of GOI, had constituted an Working Group headed by Sri RC Gupta, CGM, NABARD for removal of anomalies cropped up due to pay fitment in Sponsor bank's pay scales. This Working group, after considering all the aspects, recommended as follows:

" The Working Group examined this issue and felt that in view of parity being established, it follows that with every change in the pay scales, allowances and other benefits etc; in Sponsor banks, similar changes may be necessary in the case of RRB staff also, notwithstanding the fact that both organisations are represented by different trade unions. The Working Group, therefore, recommends that the RRBs may be made Associate members of the Indian Banks Association to enable them to participate in negotiations."

Presently, Joint consultative Council (JCC) has been set up for RRBs under the Chairmanship of NABARD, but it is mere a consultative council having no authority for any decisions and its recommendations to the MOF/DFS are not seriously considered rather kept pending for years together. Therefore, JCC is quite irrelevant and it does not play the role of apex level negotiating forum as IBA undertakes.

It is, therefore, demanded to declare IBA as negotiation forum for RRB too in the interest of institution and to avoid so many legal litigations and industrial unrest at various level.

(S.K. Bhattacharjee)
GENERAL SECRETARY

Copy to: 1. Chairman, NABARD, HO-Bandra Kurla Complex, Bandra East, Mumbai-400051
2. Chairman, All 56 RRBs,
3. The Chief Labour Commissioner(C), Shram Shakti Bhawan, Rafi Marg,
New Delhi-110 001, for information and necessary action.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015

The Voice of All India
RRB Officers' Federation

SILIGURI

No. 08

12 | Page

Circular # 61:2015

22th July 2015

TWO DAY STRIKE PROGRAMME ON 6TH & 7TH AUGUST, 2015

In accordance with our earlier circular all affiliates should make the arrangement to make the Two day strike programme a historic success.

We attach the poster design as devised by UFRRBU. The same poster should be printed by all constituents of UFRRBU and displayed widely.

The Chief Labour Commissioner (Central) New Delhi has called UFRRBU and its constituents for conciliation on 29th July, 2015 at 3pm. General Secretary, AIRRBOF along with Vice-President shall attend the conciliation.

We shall report developments in the due course.

COUNTRY WIDE STRIKE IN GRAMIN BANKS AT THE CALL UFRRBU ON 6TH – 7TH AUGUST, 2015

Demanding:

- ❖ Extension of complete Bipartite Settlement and Officers' Wage Revision,
- ❖ Reintroduction of Compassionate Appointment Scheme with retrospective effect,
- ❖ Total parity of Service Regulation, PF -Pension Scheme and Apex Level Negotiating Forum at par with Sponsor Banks.

Opposing:

- ❖ Privatisation of RRBs and Mitra Committee Recommendation on HR Policy.

Circular # 62:2015

29th July 2015

APPOINTMENTS OF MDs, CEOs & NON EXECUTIVE CHAIRMAN BATTLE AGAINST UNETHICAL APPROACH OF THE GOVERNMENT CONTINUES

We reproduce hereunder the text of All India RRB Officers' Confederation Circular No. 50 dated 15th July, 2015.

"We wish to advise that in the case of appointment of MDs for Public Sector Banks, filed by Sh. K.D. Kheda in Supreme Court, the Attorney General of India appeared on behalf of Union of India on 13th July, 2015 and sought two weeks' time for filing counter affidavit in the case. Our Senior Advocate Sh. Prashant Bhushan contested the request of Attorney General and requested the Hon'ble Court for grant of stay. However, the Hon'ble Court while granting the time to Attorney General remarked that any step taken by the Government in this regard shall be subject to the decision of this court. It is also pertinent to inform here that this case has been transferred from Court No. 3 of Justice Dave to the Court of Chief Justice of India, who heard the case yesterday (the reason of transfer of this case from one court to another is not known). The case is likely to be listed again on 3rd of August, 2015.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

13 | Page

As per the decision in the last ECM of the Confederation held at Hyderabad, another case has been filed by our Confederation on 10th July, 2015 challenging the appointment of Non- Executive Chairman. The case has been allotted No. 445/15 and is tentatively listed for hearing on 20.07.2015.

TWO DAYS STRIKE CALL ON 6th AND 7th AUGUST 2015 IN ALL REGIONAL RURAL BANKS ON THE ISSUE OF PENSION AND SALARY REVISION

Our Affiliate All India Regional Rural Banks Officers' Federation (AIRRBOF) has informed us that the joint forum of UFRRBU has given a two days strike call on 6th and 7th August, 2015, in pursuance to the eleven point Charter of Demands, submitted by them covering all important issues including Pension and Salary Revision. Our members are aware that one day strike on 30th June, 2015, observed by AIRRBOF / UFRRBU after the failure of conciliation meeting called by Dy. Labour Commissioner (Central) in Mumbai on 29.06.2015, was a resounding success. Since no positive result emerged after that also, the UFRRBU had no option but to give the strike notice. Our Affiliate AIRRBOF has also served the strike notice for 6th and 7th August, 2015, on 11.07.2015 to the Department of Financial Services, Ministry of Finance. Copy of the strike notice and short recital of the case is enclosed for your information and records.

We request all our Affiliates to extend all possible support, including participation in demonstration, rallies, Dharnas etc., to the agitating comrades working in Regional Rural Banks.

CATHOLIC SYRIAN BANK OFFICERS' ASSOCIATION ON WAR PATH OPPOSING LATERAL RECRUITMENTS

Catholic Syrian Bank Officers' Association (CSBOA) held a massive demonstration, yesterday at 5.30 pm, in front of Catholic Syrian Bank's Head Office at Thrissur. The demonstration was to protest against lateral appointments in Executive level by the bank, paying hefty salaries. The issue was discussed earlier also with the Management but it is still going ahead with further lateral appointments despite representations and opposition by the CSBOA, giving valid grounds. The protest was supported by the Award Staff union also, affiliated to BEFI with full vigour and enthusiasm. The gathering was addressed by the leaders of various organizations cautioning the Management for their wrong actions. We hope that the issue is resolved without further flare up in the larger interest of the Institution, i.e. Catholic Syrian Bank, which is the focus of the CSBOA's agitation".

Circular # 63:2015

30th July 2015

POSITIVE TREND IN APPROACH SHOWN BY DFS OFFICIAL DURING CONCILIATION BEFORE CLC (C) ON 29TH JULY, 2015

UFRRBU called for two days strike on 6th & 7th August, 2015 as a follow up action after successful observance of one day strike on 30th June, 2015 to achieve 11 point charter of demand including full salary revision, pension at par, compassionate appointment, HR Policy and other issues. In response to the strike call given by UFRRBU Chief Labour Commissioner (Central), New Delhi called for conciliation on 29th July, 2015.

The leadership of the constituents of UFRRBU met in New Delhi on 28th July afternoon. General Secretary, AIRRBOF also attended. The common strategy before CLC (c) was decided.

All India RRB Officers' Federation
"JGGP HOUSE", Raja Rammohan Road, Hakimpura, Siliguri - 734001(West Bengal)
E-MAIL: 555airrbof@gmail.com/shyamalairrbof@gmail.com
WEB SITE: <http://www.airrbof.org>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

14 | Page

The leadership of the constituents of UFRRBU assembled at the Conference Hall of the Labour Ministry on 29th July, 2015 at 3 pm. The Management was represented by officials of different RRBs and the Director, RRBs, Dept. of Financial Services also attended. The issues were explained in detail by Com. D.N. Trivedi, Com. S.K. Bhattacharjee, Com. Syeed Khan and Com. K. Rajeev. We insisted that official should clarify on the issues. Shri Manish Gupta, Director (RRBs), DFS introduced himself and told that the issue of Compassionate Appointment is being pursued for release of circular. In regard to salary revision he mentioned that in view of constitution of Sub-Committee on Other Allowances, DFS propose to release pay component only at the initial stage followed by other allowances after the decision of the Sub-Committee.

We vehemently opposed the proposal of salary revision on piece meal basis and demanded that the entire salary revision should be in one go and in conformity with 10th bipartite and Joint Note for officers dated 25th May, 2015. In regard to Compassionate Appointment we insisted that the circular on reintroduction of the scheme need to be issued shortly. In regard to all other issues we proposed that Meeting be held with leadership of Unions/Association, NABARD and officials of DFS for resolution in time bound way. We also insisted that salary revision should take place in time bond manner.

At the concluding stage, CLC (c), Shri P.P. Mitra requested the leadership of UFRRBU to defer the strike in view of the assurance of the Director that salary revision circular shall be issued in one go in time bond manner and the rest of the issues shall be resolved amicably.

The leadership of the constituents of UFRRBU thereafter met at the Conference Hall itself. After threadbare discussion it was decided unanimously that in deference to the request of CLC (c) and the assurance of the Director (RRBs), the strike on 6th & 7th August shall stand deferred to 30th September and 1st October, 2015. In the meantime we should continue the momentum generated and put pressure on DFS to resolve the issues including Salary Revision at par at the earliest. Let us make the two day strike on 30th Sept. & 1st Oct. 2015 a grand success.

OUR UNITY ZINDABAD, AIRRBOF ZINDABAD, UFRRBU ZINDABAD

Circular # 64:2015

30th July 2015

**IN VIEW OF POSITIVE RESPONSE OF DFS AND REQUEST OF CLC(C),
THE 6TH - 7TH AUGUST STRIKE DEFERRED TO 30TH SEPT. AND 1ST OCT. 2015
BASE UNITS OF ALL CONSTITUENTS ARE REQUESTED TO PROP UP
UNITY AND INTEGRITY AMONGST RANK AND FILE. UFRRBU STRENGTH
OBVIOUSLY VISUALIZED AT EVERY LEVEL. EVENTUAL VICTORY WILL BE OURS**

We reproduce hereunder the text of United Forum of RRB Unions Circular No. 10 dated 29th July, 2015.

"We congratulate leadership of constituent unions and their all members for their rock like unity and integrity. Yesterday, a meeting of UFRRBU held in Delhi and almost all constituents envisioned the receptive effect of UFRRBU at each and every level of stake holders of RRB. Further a unanimous decision was taken that in absence of representative from DFS/MOF there would be no significance of conciliation and UFRRBU would stand by strike action as no other than DFS is having authority to concede our demand. With regard to **pension issue**, UFRRBU reviewed the entire development and came to the conclusion that after submission of unilateral report by Pension Committee to Govt. there is no scope of further negotiation rather to take up the matter before the apex court effectively.

All India RRB Officers' Federation

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

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

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



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

15 | Page

Today, conciliation commenced in time and CLC(c), Sri P.P. Mitra, himself conducted the conciliation along with Dy. CLC Sri DP Singh. From management side, the Director, DFS, Sri Manish Gupta, along with representatives of Sponsor banks and RRBs participated. From UFRRBU representatives of all the constituents took part in crucial discussions.

At the outset, convenor submitted point wise views of Union on 11 point charter of demands and after patience hearing CLC(c) advised the management's side to submit their response.

Again UFRRBU pointed out that no one except DFS is having authority to concede the demand, hence Mr. Manish Gupta took the lead and pointed out that JCC has been conducting two meetings with apex level unions of RRB at the issues under reference and a sub-committee has been constituted to look into the matter of comprehensive implementation of 10th Bipartite settlement- Officers wage revision in RRB and in terms of recommendation of the sub-committee DFS is intended to extend principal part of wage revision in line with 9th Bipartite settlement. For extending other allowances and other benefits DFS is waiting for detail recommendation of sub-committee. Further, with regard to Compassionate appointment in RRB Mr. Gupta submitted that file is moving in positive direction.

On this count, UFRRBU referred para 4.425 and,4.426 of the NIT Award as well as apex court order and reacted that any piecemeal implementation of Bipartite settlement is not tolerable Besides it, UFRRBU argued that since compassionate appointment scheme has already been implemented in Commercial banks w.e.f. 5th August 2014, only its retrospective effect will be acceptable.

Thereafter, Sri Gupta reacted that if UFRRBU is rigid for comprehensive implementation of 10th Bipartite settlement and allied feature like graduation increment etc. three months time is required for its implementation and as soon as file on compassionate appointment would be cleared from FM, same would be circulated positively.

In this connection UFRRBU refused to wait for a long period and expressed that one month time is enough, but on intervention of CLC(c) UFRRBU agreed to provide two months time.

So far as other demands are concerned, on advice of CLC(c), DFS representatives agreed to arrange a meeting shortly for discussion with UFRRBU. Thereafter, CLC(c) also requested UFRRBU to defer the strike and conciliation was concluded with thanks to parties concerned.

Immediately after the conciliation was over, meeting of UFRRBU held at same venue and keeping in view over all development 6th-7th August Strike deferred to 30th September and 1st October, 2015.

Friends, several rounds of discussions were held at JCC level and at RLC(c) level, but, no representative from DFS could attend as they were taking RRB's agitation very casual and unresponsive. On behalf of management, no one was taking responsibility to acknowledge the demand and NABARD clearly refused to become party to the conciliation. Hence, position was very delicate. On account of your sustained struggle, unity and sacrifices, for the first time any authority of DFS came forward for taking accountability. This is positive response and we do hope implementation of 10th bipartite settlement would certainly be different to way and style of implementation of 9th Bipartite settlement.

Ensure further unity and integrity, ultimate victory will be ours.

UFRRBU - ZINDABAD, RRB's OFFICERS'-WORKMEN UNITY- ZINDABAD.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015

The Voice of All India
RRB Officers' Federation

SILIGURI

No. 08

16 | Page

Circular # 65:2015

31st July 2015

**GOI, DFS TODAY ISSUED CIRCULAR ON SALARY REVISION CLEARING
MAJOR COMPONENTS – OTHER ALLOWANCES SHALL BE REVISED
SUBJECT TO REPORT OF SUBCOMMITTEE- BATTLE IS HALF WON –
WE SHALL CARRY OUT OUR STRUGGLE TO GET FULL SALARY REVISION**

Today, Govt. of India, Dept of Financial Services issued order for salary revision vide reference F no. 8/1/2015-RRB dated 31st July, 2015. The major components of pay like BP, DA, HRA, CCA stagnation increment, special pay, graduation pay, professional qualification pay have been revised with effect from 01.11.2012. The circular is attached. In terms of their commitment before Associations/Unions and CLC on 29th July 2015, GOI, DFS circular indicated that other allowances shall be revised once the report of the Sub-committee at NABARD shall be received. This is a major improvement on earlier circular on salary revision issued five years back.

The salary revision was made possible by our united struggle and efforts of AIRRBOF/UFRRBU. CONGRATULATION!

Friends, in terms of the decision of the 59th Meeting of the Central Committee held on 24th May, 2015 at Darjeeling, all affiliates are advised to REMIT SALARY REVISION LEVY @ Rs.1500/- PER MEMBER WITHIN TWO MONTHS FROM THE DATE OF SALARY REVISION CIRCULAR. SO YOU ARE REQUESTED TO REMIT SALARY REVISION LEVY LATEST BY 31ST OCT, 2015 to AIRRBOF A/c with Axis Bank directly.

CONGRATULATIONS!

TAKE RESOLVE TO FIGHT TO THE LAST TO WIN OUR BATTLE.

**F.No. 8/1/2015-RRB
Government of India
Ministry of Finance
Department of Financial Services
Jeevan Deep Building, Parliament Street,
NewDelhi-110 001.**

dated the 31st July, 2015

To

The Chairmen/Chairpersons of all Regional Rural Banks.

**Sub: Revision of Pay and Allowances of Regional Rural Banks' employees
under Proviso 2 of Section 17(1) of the Regional Rural Banks Act, 1976-regarding.**

Sir(s)/Madam(s),

In exercise of the powers conferred under second proviso of Section 17(2) of the Regional Rural banks Act, 1976, Central Government, consequent upon the revision of the wages/pay structure of the workmen/officers employees of the nationalized commercial banks in terms of the 10th Bipartite Settlement, determines the pay scales of employees/officers of RRBs as follows;-

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

17 | Page

1. Pay Scales and Dearness Allowance:- Pay scales and Dearness Allowance of RRB employees as on 1.11.2012 would be equal to the corresponding categories of employees of the nationalized commercial banks. Pay for the purpose of DA, HRA and superannuation benefits shall mean basic pay, stagnation increments, special pay, graduation pay, professional qualification pay and officiating pay, if any. The date of applicability of the above pay/allowances will be as per the respective dates mentioned in Joint Note signed on 25th May, 2015.

House Rent Allowance(HRA) and City Compensatory Allowance(CCA): HRA and CCA would be payable at the same rate as applicable to the corresponding categories of employees in the nationalized commercial banks w.e.f 1.11.2012.

The 'other allowances' are under examination of the Government and the same will be conveyed in due course.

The payment of revised salary and the arrears thereof may be made accordingly, The RRBs may issue an order indicating the revised pay scale in respect of each category of employees after seeking the approval of their Board of Directors.

A copy of the Orders issued in this regard may be endorsed to this Department as well as to NABARD for information and record.

Yours faithfully,
(Jitendar Kumar Mehan)
Under Secretary to the Government of India
Ph.23748767

Copy to: Chairman, NABARD. Head Office. Mumbai CGM, RPCD. RBt, Head Office, Mumbai.
The Chief Executive, **IBA**, Mumbai. CMDs/MDs, all Sponsor Banks of RRBs.

PRESS CORNER:

BHARTIYA MAHILA BANK MAY BE MERGED WITH SBI

India may consider merging state-run Bharatiya Mahila Bank with State Bank of India, the country's largest lender, said people briefed on the matter.

Prime Minister Narendra Modi's cabinet will soon take up a proposal to combine the New Delhi-based BMB with State Bank, the people said, asking not to be identified as the information isn't public. BMB, which has more than 60 branches, was founded in 2013 by the former government to focus on lending to women in the country.

Maintaining BMB as a standalone entity would have required large amount capital infusion by the government, the people said. The government will consider suggestions for the "consolidation" of state-run banks, finance minister Arun Jaitley told lawmakers in July 2014.

D.S. Malik, the spokesman at the finance ministry in New Delhi, couldn't immediately be reached for a comment, while SBI spokesman M.K. Rekhi didn't immediately respond to a phone call and an e-mail. Calls to the communication department of BMB weren't answered.

All India RRB Officers' Federation
"JGGP HOUSE", Raja Rammohan Road, Hakimpura, Siliguri – 734001(West Bengal)
E-MAIL: 555airrbof@gmail.com/shyamalairrbof@gmail.com
WEB SITE: <http://www.airrbof.org>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

18 | Page

State Bank had more than 16,333 outlets and Rs13.4 trillion (\$211 billion) of loans outstanding as of 31 March, exchange filings show. India has a fragmented banking system with more than 90 domestic and foreign lenders competing for \$1.3 trillion of deposits.

Source- The Hindu Business Line 1st July, 2015.

AXIS BANK IS TRUSTEE BANK FOR NPS

The pension fund Regulatory and Development Authority has selected Axis Bank as the trustee bank for the National Pension System, a release from the regulator said. "The Evolution Committee has found Axis Bank as the best value bidder," the release said. A Trustee Bank acts an intermediary and is responsible day-to-day flow of funds and banking facilities in accordance with the guidelines issued by the Authority under the National Pension System.

Source- The Hindu Business Line 2nd July, 2015.

BANK LOAN FRAUD: ED ATTACHES INDORE REALTOR'S 1,280 ACRES IN CALIFORNIA

In an unprecedented move, the Enforcement Directorate's Ahmedabad branch has attached 1,280 acres of a realtor's land in California, in what may turn out to be one of the biggest bank loan frauds in India and money laundering activity, reports said here on Thursday.

According to sources, the ED officials took the step under the Money Laundering Act after unearthing a major bank loan fraud, and are searching for the main accused, Vijay Chaudhary, promoter of Indore-based realty firm Zoom Developers, against whom an arrest warrant has been issued. The fraud was going on since 2011 but came to light only in 2015 when investigations commenced. He has been charged with taking bank loans of nearly Rs. 2,200 crore for developing projects in the West and siphoning off and laundering a large chunk of this money. Zoom Developers had reportedly taken loans to the tune of Rs. 2,650 crore from 26 different banks for various projects in Europe and the US, sources said.

ED sources said Chaudhary had taken loans under the pretext of developing projects but some of the money was, apparently, used in buying property in the US. No developmental work was carried out by the company, which has an office in Mumbai also, in the places for which it had taken loans.

However, the sources said, the property attached had a market value of only about Rs. 1,000 crore. In May, Sharad Kabra, one of Zoom's directors, was arrested and is now in judicial custody, while the authorities are trying to arrest Chaudhary, who is absconding.

The ED is also looking into the possible role of some bank officials without whose involvement such huge loans could not have been advanced to the accused.

Source- The Hindu Business Line 3rd July, 2015.

CSK, RAJASTHAN ROYALS BANNED FROM IPL FOR 2 YEARS

A Supreme Court-appointed panel today banned Rajasthan Royals, winner of the inaugural edition of the Indian Premier League, and two-time winner Chennai Super Kings from the IPL for two years on charges of betting by their owners.

The panel also suspended RR co-owner Raj Kundra and then CSK Team Principal Gurusath Meiyappan (also the son-in-law of then Board of Control for Cricket in India President N Srinivasan) from all cricket-related activities for life.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

19 | Page

Addressing the media, Justice RM Lodha, former Chief Justice of India, who headed the panel, said: "Cricket is bigger than individuals or body of individuals than financial loss that may be caused to a few players or franchisees."

The IPL, under the aegis of BCCI, is one of the richest T20 cricket leagues in the world. The order raises questions on fate of IPL. The BCCI will have to decide on the fate of the players of the two teams and whether it will conduct a fresh auction for having more franchisees. The three-member Lodha committee declared that Kundra's and Meiyappan's conduct had "adversely affected the image of BCCI, and the league (IPL) as also the game of cricket and brought each one of them disrepute."

Lodha said that the committee was mandated by the Supreme Court so the purity of the game remains a central element. The apex court also said that the decision of the panel will be binding on the BCCI.

The affected parties can appeal to a higher Bench of the apex court. "The proved misconduct by the team officials of CSK and Rajasthan Royals has damaged the faith of the public in the IPL, BCCI, and the game of cricket so much so that any untoward incident in any game is now attributed to corruption in cricket," he said.

Replying to a query on the fate of the players of CSK and RR, Lodha said that the players will not be attached to these franchises, which have been suspended. Some of the big names playing for CSK are MS Dhoni, R Ashwin, Suresh Raina, and for RR are Shane Watson, Steve Smith and Ajinkya Rahane.

Lodha said the committee felt it needs to further probe the role of IPL COO Sundar Raman. It will evolve a mechanism to deal with issues regarding conflict of interest. The committee will also recommend measures to streamline the functioning of BCCI, including issues such as elections and eligibility of candidates.

In a statement, Jagmohan Dalmiya, President of the BCCI, said, "...it (the BCCI) would give its observations after the entire report is read and a collective decision is taken." Dalmiya said the BCCI is committed to ensuring transparency, accountability and cleansing the sport in order to restore the faith and confidence of millions of cricket-loving people in the game, in general, and IPL, in particular. The IPL Governing Council is likely to meet on July 19 to decide on the course of action.

Sources close to N Srinivasan, Vice-Chairman and Managing Director, India Cements, said he has nothing to comment on the order as it is not about him, nor about the company. It is about CSK, which is a separate company. It is up to CSK to take appropriate action based on its legal advisors.

While Raj Kundra and his officials were not available for comment, Kundra tweeted, "Many inaccuracies. Have requested for a copy of the judgement-obviously very shocked and disappointed."

Source- The Hindu Business Line 15th July, 2015

CABINET EXTENDS RECAPITALISATION OF REGIONAL RURAL BANKS BY 3 YEARS

The Union Cabinet has extended by three years the validity of the recapitalisation scheme for weak regional rural banks (RRBs). The scheme, which was earlier valid up to March 31, 2014, has been extended up to 2016-17 to help RRBs improve their capital-to-risk-weighted assets ratio (CRAR).

The minimum CRAR stipulated for RRBs stood at 9 per cent and several of these banks are unable to maintain this level.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

20 | Page

With a view to bringing the CRAR to at least 9 per cent, the KC Chakrabarty Committee has recommended recapitalisation support to the extent of Rs. 2,200 crore to 40 RRBs across 21 States.

The recapitalisation process had started in 2010-11. The share of the Centre in respect of some RRBs could not be released in the absence of the release of the share of State Governments. Therefore, the scheme was extended to March 31, 2014.

A total of Rs. 1,087 crore had been released as on March 31, 2014, to 39 RRBs, including Central Madhya Pradesh Gramin Bank. The Centre is now widely expected to go in for Supplementary Demand for Grants to provide further funds to the RRBs that require capital support.

Meanwhile, the Finance Ministry is gearing up to seek Parliamentary nod for additional capital infusion of about Rs. 12,000 crore in public sector banks (PSBs), which is also expected to be done through Supplementary Demand for Grants in the upcoming Monsoon session of Parliament.

Finance Secretary Rajiv Mehrishi had recently said that the Centre was likely to infuse additional capital to the tune of Rs. 11,500 crore in PSBs this fiscal, over and above the Rs. 7,800 crore earmarked in this year's Budget. Finance Minister Arun Jaitley had last month assured Chief Executives of PSBs that the Centre would take steps to provide capital above the amount specified in the Budget.

Source- The Hindu Business Line 17th July, 2015

INFRA LENDER BRICS BANK LAUNCHED IN CHINA

A new \$100 billion bank floated by BRICS nations, including India, as an alternative to the World Bank and IMF to boost infrastructure funding in emerging economies and offer them tailor-made services was launched here on Tuesday.

The opening ceremony of the New Development Bank (NDB) was held here in China's financial capital Shanghai. China's Finance Minister Lou Jiwei, Shanghai Mayor Yang Xiong and the bank's President KV Kamath attended the opening ceremony.

Kamath, 67, who will be the bank's President for the first five years, said he was confident of delivering on people's expectations of the new bank. "Countries should closely cooperate," Kamath, a former executive with India's largest private lender ICICI Bank, said. "We will listen carefully to our members and try to offer tailor-made services for them," he said.

BRICS economies — Brazil, Russia, India, China and South Africa — launched the multi-billion dollar development bank at the 7th BRICS summit held in the Russian city of Ufa on July 8 amid efforts to finance infrastructure projects, mainly in member-countries. "The NDB will supplement the existing international financial system in a healthy way and explore innovations in governance models," Lou said at a seminar following the launch of the bank. "Its creation is to meet the urgent demand of such countries in infrastructure construction and beyond," he added.

The NDB will have an initial capital of \$50 billion, which will be expanded to \$100 billion within the next couple of years. Each BRICS member will contribute an equal share in establishing the start-up capital.

BRICS nations, with 42.6 per cent of the world's total population and roughly a third of the world's land area, have a combined GDP totalling about one-fifth of the global total.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

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

No. 08

21 | Page

The NDB was conceived as a counterbalance to US-led financial institutions, such as the World Bank and the IMF by providing funding for infrastructure and development projects in BRICS countries. Each nation will have an equal say in the bank's management, regardless of GDP size, according to its officials.

The NDB is also backed by the China-floated \$50 billion Asia Infrastructure Investment Bank (AIIB) in which India and 56 other countries have joined. The World Bank welcomed the opening of NDB.

Source- The Hindu Business Line 22th July, 2015

PRIVATE BANKS LEAVE PSBS BEHIND IN NET PROFIT STAKES IN FY15

The net profit of private sector banks taken together was Rs.1,153 crore more than that of public sector banks in 2014-15.

"Total net profit of private sector banks was Rs. 38,976 crore for the year 2014-15, whereas for public sector banks the figure was Rs. 37,823.39 crore," Minister of State for Finance Jayant Sinha said in a written reply to the Rajya Sabha. All the 27 public sector banks together have a market share of about 70 per cent. There are about 20 private sector banks in the country. According to estimates by the Reserve Bank of India, the market share of public sector banks is set to decline from 80 per cent in 2000 to a little over 60 per cent by 2025.

"The government is taking various steps to increase the efficiency of operations in public sector banks, which include a new governance structure at the board level, modification in guidelines to introduce professionalism at the board level and further revamping of the entire target setting (process)," Sinha said.

In reply to another question, he said the percentage of government shareholding has slightly declined in respect of six public sector banks during the last three years due to raising of capital by these banks from the market. However, he said, government shareholding has increased in 15 PSBs and remained unchanged in six.

It is a fact that 12 PSBs are trading at 0.3-0.5 times their book value, he said. The government has not offloaded its stock in any PSB during the last three years, he said, adding that there is no question of any loss. However, the market price is highly dynamic as it is in correlation with the outlook of industry in addition to the performance of individual banks, he said.

Source- The Hindu Business Line 22th July, 2015

SBI PAID PENSION TO 3000 DEAD FREEDOM FIGHTER

The State Bank of India was paying pension to more than 3,000 freedom fighters for many years after their death, Rajya Sabha was informed on Wednesday. Minister of State for Home Kiren Rijju said government has decided to transfer accounts of central freedom fighter pensioners from SBI to other banks for disbursement of central freedom fighter pension due to certain irregularities on the part of SBI.

"The irregularities, include paying pension to more than 3,000 dead pensioners for many years after their death, payment of wrong amount of pension to many pensioners, delayed payment of revised dearness relief, loss of more than 1,100 original disburser's portion of PPOs," he said replying a written question. The Minister said on account of these irregularities, more than Rs 16 crore has already been recovered from SBI.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

22 Page

Rijju said in order to avoid any hardship to the pensioners, they have been advised to open account in any bank of their choice from the authorised banks for the purpose and the banks have also been advised to approach such pensioners and open their accounts by June 30, 2015. In respect of those pensioners who have not opened new accounts in other banks till June 30, the SBI will continue to disburse their pension so that the pensioners may not face hardship, he said.

Source- The Hindu Business Line 23th July, 2015

AT MOST CENTRAL BANKS, MONETARY POLICY DECISIONS ARE STEERED BY A COMMITTEE

The composition of the Monetary Policy Committee (MPC), as suggested by the revised draft of the Indian Financial Code, put out by the Finance Ministry on Thursday, swings in favour of the Centre. The draft recommends a seven-member committee, headed by the RBI Governor, who will have the casting vote in case of a tie while taking the decision on policy rates.

The panel has suggested two members (excluding the RBI Governor) from the central bank — one nominated by the RBI board and the other by the Governor. The other four members will be appointed by the Centre.

The recommended composition is in contrast with the Urjit Patel committee recommendation, which suggested a five-member team — two external and three from the RBI.

The decision-making process in monetary policy varies across countries. According to a handbook published by the Bank of England, 'State of the Art of Inflation Targeting-2012', most central banks have adopted a committee approach for monetary policy decisions.

The Finance Ministry and the RBI, only a couple of months back, agreed to put in place a monetary policy framework to focus on inflation targeting, which the central bank had been pushing for. The Consumer Price Index (CPI)-based inflation targets — below 6 per cent by January 2016 and 4 per cent thereafter, with a band of plus/minus 2 per cent — were set in line with the Urjit Patel committee recommendations.

There is a convergence of views in both developed and developing economies that price stability has to be the main objective of monetary policy. According to the handbook, at the start of 2012, 27 central banks adopted inflation targeting as their monetary policy framework. In a majority of these countries — 15 out of 27 — the inflation target is decided both by the government and the central bank.

In nine countries, the central bank sets the target, and in three cases — Norway, South Africa and the UK, the target is set by the government. The consensus is that above 3-4 per cent levels, inflation is a cause for concern.

All 27 countries that follow inflation targeting policy, use the CPI as their operational target — using the headline figures, rather than the core measure. In most inflation-targeting countries, decisions are steered by a committee.

In 13 countries, the policy decision is taken by the boards of their central banks. In Australia, Chile, Canada and Sweden, for instance, the decision-making body comprises the Governor, Deputy Governor and other members. In 11 countries, including Brazil, South Africa, South Korea and the UK, the MPC decides on the policy rates.

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

23 | Page

In South Africa, the MPC consists of eight members — the Governor, three Deputy Governors and four senior officials of the South African Reserve Bank. In the UK, the MPC has nine members, of which four are external. In some countries, such as Armenia and the Philippines, there is a two-stage process under which an internal MPC or advisory committee makes recommendations to the board, on which the onus of taking monetary policy decision lies.

As far as the decision-making process is concerned, in 18 countries that target inflation, policy rates are decided based on a majority vote rather than a consensus decision. The governor usually has the casting vote. In New Zealand, the governor is the sole decision-maker.

On an average, the committee is a seven-member team. Poland has the largest numbers of members, 10, on its policy-making committee. While there is no clear pattern on the composition of the board or MPC, very few countries have government representation on the decision-making committee. These include Colombia, Guatemala and the Philippines.

In other countries, such as Hungary, Romania, Turkey and the UK, the government is a mere observer and does not have the right to vote.

Source- The Hindu Business Line 25th July, 2015

BANK CREDIT IN JAMMU & KASHMIR COULD SEE A DROP

Ten days ago, a bench of the Jammu and Kashmir High Court ruled in a case that the SARFAESI (Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act) cannot be enforced in that State. This Act, passed in 2002, empowered banks and financial institutions to recover the money they had lent to borrowers without going through an elaborate court process.

When the Act was passed, bankers projected it as the panacea for all their problems. The impression given was that borrowers would quiver and quake at the very prospect of a banker coming to them armed with a SARFAESI notice.

A little over a decade hence, reality has been different. Bankers will concede that they have probably succeeded only one in four times when they used the Act. So, was it really useful? The answer is yes despite the statistics not standing the test of effectiveness.

For bankers, the process of getting the money back is never easy or straightforward — and they need to press different buttons (bilateral negotiation, debt recovery tribunal, lok adalats, one-time settlements, etc) for this purpose.

SARFAESI was one more useful tool — particularly useful to have in the banker's armoury while trying to bring recalcitrant borrowers back to the negotiating table. More often than not, bankers used it for its deterrent effect.

The threat of seizure of assets (whether plant and machinery or premises or stock) and the possibility that it could be auctioned off pretty soon if the bank chose to follow the procedure, was usually enough to bring many borrowers (except the hardened ones) to the bank and complete a settlement.

The High Court judgment on the issue of the applicability of the Act in the State is therefore a setback for banks.

All India RRB Officers' Federation

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

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

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



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

24 | Page

It will most probably have a negative impact on further credit growth in the State, which has not been much to begin with. Bank deposits in J&K have doubled to Rs. 22,504 crore while loans have likewise risen to Rs. 10,863 crore over the past five years. But this is a meagre amount when seen in the context of the Rs. 66.50 lakh crore lent by banks across the country.

The importance of bank credit to spur economic growth and development is well understood. It is especially critical for a backward State such as J&K, with its history of a troubled political and business climate. The judgment will unfortunately weaken whatever little confidence banks had in lending to borrowers in that State.

Knowing now that the chances of recovery are slim, they will very likely play it safe and begin to curtail lending activities there.

While passing its orders, the High Court bench had, of course, left it open to the State Government to pass a law similar to SARFAESI. In the current political climate in the State, that does not seem a realistic possibility.

Both the Centre and the State Government must wake up to the danger of a drastic drop in credit in J&K in the coming year.

Source- The Hindu Business Line 28th July, 2015

'BANK RESULTS INDICATE SOME STABILITY IN NPAS'

Reserve Bank of India, Deputy Governor, S. S. Mundra said here on Wednesday that initial trends from banks' first quarter results indicate some stability on asset quality.

He said the only way to get over the issue of mounting bad loans is to adopt correct business practices and risk management strategies. "We are seeing that there is some stability now in the NPA levels. So, we will have to keep a constant watch on how things are developing", Mundra told reporters on the sidelines of an event here.

He further said it is still early to make a definitive statement regarding this, as only a few banks have reported their Q1 numbers. Major Banks which are yet to report the results include SBI and ICICI Bank.

The sluggishness in the economy, coupled with regulatory and judicial actions, has resulted in increased instances of loan losses for banks, with sectors like power, shipping, iron and steel, aviation and infrastructure being badly affected.

On Wednesday, three large state-run banks reported massive dip in their bottom lines, thanks mainly to higher provisions for dud assets. All these banks have seen their bad loan ratios climbing, though they witnessed a dip in fresh slippages in the June period.

The RBI has been repeatedly flagging issues on asset quality stress and has been asking banks to be forthcoming in identifying the stress.

Apart from creating a new system of joint lenders forum to resolve stressed assets where multiple lenders are involved, the RBI has also discontinued the old system of asset restructuring and asked banks to classify any bad loan as an NPA at the earliest sign of stress.

Source – The Hindu Business Line, 30th July, 2015

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>



Vol - XXII

AIRRBOF News Letter

August, 2015



SILIGURI

The Voice of All India
RRB Officers' Federation

No. 08

25 | Page

AIRRBOF NEWS LETTER
Registered with RNI, New Delhi,
Regn. No. 4L/RV/TO/93
Postal Regn. No. WB/DE/007/2009-2011

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.

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>