

COMMON BOND

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UNETHICAL LITIGATION

The implementation of the 2nd option on Pension is held up due to certain cases filed in the Chennai High Court by the members of the banking fraternity supported and motivated by certain disgruntled and unruly elements in some of the unions of the United Forum of Bank Unions. The 2nd option on Pension is heralded by each and every member in the Banking Industry as an historic and epoch making settlement at the time of its conclusion. However, when it came to its implementation, the very same spirited leaders and members have now started a vicious campaign against UFBU and the major organizations for having signed this settlement making the PF optees to make contribution to the extent of 2.8 months salary as eligible with the revision of salary as a part of contribution towards the Pension Fund. There were clear cut discussions and negotiations as regards this provision by all the 9 unions and each and every leader literally burnt their midnight oil in order to reach a decision whether to accept this provision or to refuse to sign the 2nd option on Pension. Thanks, to the then good sense amongst these stalwarts who lost no time in claiming credit to the success of the agreement the very same day as they were the sole cause for the entire success have now resorted to scuttle the same by motivating some of the members to tap the doors of the Chennai High Courts against this provision. The Court has issued notices to all concerned. The Government is agitated over these developments since they were averse from the very beginning in resolving the issue and we had to use all our energies to reach a finality in the matter.

Our members may recall that it was a long drawn struggle to reach a settlement on 2nd option on Pension. The issue could not be resolved

in the 8th Bipartite. During the period, the unions had to deliberate the issue amongst their own rank and file and thereafter at the United Forum of Bank Unions to reach an unanimity as to our approach towards sharing of the cost when the doors of the negotiations were completely closed by the IBA and the Government. The last agreement provided an opening and on that basis further negotiations continued. It was not an easy process. It was a nightmarish experience to the entire leadership of the 9 unions in the United Forum of Bank Unions and they had at last could have the satisfaction of having achieved what was treated as not possible by the IBA and the Government. The entire banking fraternity was looking forward for the implementation of the agreement.

The developments that are taking place in certain unions is against the spirit of bilateralism in the banking industry. The leadership of unions has an ethical and moral responsibility to ensure the implementation of the agreement signed under the ID Act. It is unfortunate development that after such a long drawn struggle and agitation we reach the ultimate goal but create hurdles at the time of crossing the winning pole. There is a need for introspection amongst the so called stalwarts of our movement who has championing the cause of the 2nd option on Pension. We have a plethora of issues before us once the process of the implementation is initiated after the issuance of the notification. Further delay will only harm the interest of our own retirees as well as those who are on rolls and awaiting for exercising of the 2nd option on Pension.

The Confederation is committed to ensure early implementation of the agreement on 2nd option on Pension. If the Government and IBA fail to

VANDE MATHARAM

take a view in the matter, the Executive Committee of the Confederation which met at Ahmedabad on 30th and 31st of July 2010 has already taken a firm view in the matter and

authorized the leadership to take necessary action to compel the authorities concerned for its early implementation. **n**

O.P. BHATT THE NEW IBA CHAIRMAN

Sri O.P. Bhatt Chairman of State Bank of India has been appointed as Chairman of Indian Banks' Association. Mr. Bhatt was elected at the Managing Committee meeting held on 8th June, 2010 and takes over from Mr. M. V. Nair, Chairman and Managing Director of Union Bank of India.

Committee also elected Mr. Aditya Puri, Managing Director HDFC Bank, Mr. M.D. Mallya, Chairman and Managing Director, Bank of Baroda and Mr. S.

C. Mahajan, Chairman and Managing Director, Canara Bank as Deputy Chairmen. Mr Rana Kapoor, Managing Director and Chief Executive Officer, YES Bank was elected as Honorary Secretary.

"Common Bond" congratulates, Sri O. P. Bhatt the Chairman and other Dy. Chairmen and the Honorary Secretary, for having been elected for the coveted posts and wish them all the best in carrying out their assignments, successfully. **n**

COM. DINAKARA PUNJA NOMINATED AS OFFICER - DIRECTOR ON THE BOARD OF SYNDICATE BANK

We have pleasure in advising that Com. Dinakara Punja, President of Syndicate Bank Officers' Association, our affiliate, has been nominated as Officer-Director on the Board of Syndicate Bank from 12th July 2010, the date of notification, for a

period of three years.

"Common Bond" congratulates Com. Dinakara Punja on his induction into the Board of Syndicate Bank and wish him all the best in his new assignment. **n**

BANK NATIONALIZATION ENTERS 5TH DECADE 19TH JULY – A DAY OF REMEMBRANCE FOR ALL OF US

The country has witnessed the phenomenal economic growth during the last 4 decades, ever since the 14 Banks were Nationalised on 19th July 1969 followed by another 6 Banks in the April 1980, thereby bringing more than 90% of the Banking operations under the umbrella of the Public Sector ownership. Thanks to the historic decision of the National Congress under the stewardship of Madame Smt. Indira Gandhi, former Prime Minister the legendary figure in the Indian politics who, decided to take over the Banking Industry under the ownership of the Government on the basis of the Capital base of the banks. The Nationalization in the first instance gave a tremendous boost to the realization of the dreams that were cherished under the 5 year Plans as well as a number of socio-economic policies of the Government with an intention to create a Welfare State giving ventilation to the objectives of the Constitution of India, to ensure social, economic and political freedom and equality to each and every citizen of the country.

2. The contributions of the Banking Sector which is under the ownership of the Government towards the economic prosperity of the country cannot be described in just few

lines. It is a saga of struggles, sacrifices and dedication of thousands and thousands of employees and officers who stood by the Government, supported by their trade unions, in particular the Officers' fraternity who had the support of the Confederation to motivate and energize them to take up the responsibility of providing economic freedom to the teeming millions of population living below the poverty line spread across the country and suffering for want of support to eke out their living. It is the Banking Industry and the Officers' fraternity who lived upto the expectations of the Government created history, by taking the banking facilities to every nook and corner of the country unmindful of the topographical disadvantages, erratic climatic conditions, living conditions, accommodation, medical facilities, educational facilities etc. It will not be out of place to mention that there may not be a Post Office, there may not be a Railway Station but there may not be a primary school, there may not be primary health centre, there may not be police station and motorable road, potable water definitely Branches of the Nationalized Banks have found a place in almost all the interior parts of the backward states as well as the progressive states. The

WORK IS WORSHIP, DO YOUR DUTY

Officers were willing to move across the country, they did not bother about the living conditions nor the language problem. The language of hunger, poverty and ignorance of the people being common, it spreads beyond the barriers of language, creed, culture, cast and tradition. Hence, a Banker was a welcome guest all over the country and he was treated as a part of the society all over the country.

3. We have a big list of successes behind us. The Success of Green Revolution, which was possible due to the contributions made towards agriculture and allied activities by lending by the banks in a massive way, which ensured the food security of India. Thereafter it is yet another glorious success of the Public Sector Banks which ensured the White Revolution, providing plenty of milk and milk products to the undernourished nation and become one of the major economic activities of interior parts of the country. There was a silver revolution to boost the fisheries. We did not lag behind to stand by the industrial growth of the country. The Small and Large enterprises, followed by the industrial houses, who ventured to invest huge amount of capital in core industries. All these sectors received equal support and co-operation from the Banking Industry. The series of schemes brought out by the Government apart from various other schemes meant to help the backward and underprivileged were routed through the banking industry. Our commitment to the cause of the Nation is applauded all over the country and our fights against handing over of the Public Sector Banks to private ownership have started paying rich dividends during the last couple of years.

4. One of the greatest contributions of the Public Sector Banks has been its reach to the common man, who is not in a position to have access to the banking resources which are nothing but the savings of the people of the country. Hence, it was our slogan that the people's savings should be for the Peoples welfare, has now become the slogan of most of the Private Banks as well. It is most unfortunate that the Government very often gets influenced by the media and gimmicks of the protagonists of the Globalization that the Banks should be privatized and the Government should withdraw its intervention. Thanks, to the recent developments in US and other countries where hundreds of banks collapsed and the US administration has to take extraordinary steps of taking over some of the major Private Sector Banks. The Government has now started looking at these

Public Sector Banks as the real instruments to extend all their policies and programmes to the common man.

5. The All India Bank Officers' Confederation is the first organization to declare a war against the so-called reforms in the financial sector, in particular the banking, by the Government with the sole objective of handing over these Public Sector Banks, temples of the country, to private owners during the beginning of 1991. We went on a day's strike opposing the recommendations of Shri.P.Narasimham Committee who submitted a tailor made and dictated report as required by the World Bank. After these developments, the Government raised the issue of bad loans, capital adequacy, performance of the banks and bank employees as a plank for the purpose of creating a public opinion against the banking industry. We withstood these attacks and succeeded in ensuring the existence of Public Sector banks including those who were in difficulties in the mid 1990's and managed to wipe off the huge bad loans and create a large space for the Pubic Sector Banks in the area of reforms as well as the customer service during the last one and half-decade. The Indian Public Sector Banks are now perceived as role models by the Western Countries after the US economic recession. The RBI Regulatory role is being appreciated all over the world and they are curious about the Indian Banking system and its tenacity displayed during the economic recession, not only by withstanding its impact but surpassing the growth parameters in these difficult days. It is a great transformation as far as the public and media opinion is concerned and the larger credit must go to the Confederation for such development since it stood firm against the attempts of dis-investment of the equity in the Public Sector less than 51% ,which otherwise would have enabled the Private Sector to take over the banking industry. To-day, the Government is coming forward to provide equity and is seriously looking into our earlier stance since most of our predictions have come true during the last one decade.

6. The task is yet incomplete. We need to keep a close vigil over the threat of take over by foreign investors. We need to sharpen our skills, technology and above all match the wit and gimmicks of the so-called private sector as well as the foreign banks and pay back to them in their own coin so that ultimately our goal of the take over of the entire banking industry under the Public Sector is reached. The Confederation with a positive and pro-active outlook had appointed an Independent Commission on Banking Financial Policies under the

SELF HELP IS BEST HELP

Chairmanship of Shri Shukla , former Secretary of Finance and the report submitted by the Commission has now proved that whatever the stand and views of the Confederation were right and the predictions have come true. We need to carry forward our struggle and ensure that the old generation Private Sector banks that are akin to the Public Sector Banks, and new generation Private Sector Bank are nationalized. Similarly, we need to pursue our struggle against different types of attacks on the Public Sector Banks including the so called consolidation, merger etc.

7. While, acknowledging the contributions of the Banking Industry after nationalization of the 20 Major Banks, let us also remember all those senior stalwarts who led this movement and launched several struggles to uphold the Public sector character of our Banks. We have a great responsibility of carrying forward this struggle under the banner of the Confederation. Let us resolve that we would ensure to bring all the Banks under the ownership of the Public Sector. Let us resolve that we will ensure, the responsibility given to us to

support the economic prosperity of the common people will be carried forward with the same zeal and enthusiasm with which we have been doing over the last 4 decades. Let us also dream that by the completion of the Diamond Jubilee of this great organization, we should be able to bring all the banks under the ownership of the Government as a tribute to our predecessors and also as a gift to our posterity.

8. The 19th July is not just another day in the life of the employees. We should remember that the great act on the part of the Government in bringing the banks under its ownership, provided an opportunity to millions and millions of employees and workers to serve the nation over the last 40 years. It also provided an opportunity to this group of people to display to the whole world that they are also soldiers dispensing economic freedom and justice to the teeming millions and millions of people living below the poverty line in the country. Let us march forward with the firm determination to carry forward the banner of the Confederation in ensuring the success of our movement for all times to come. **n**

2ND OPTION ON PENSION PROPOSAL CLEARED BY THE GOVERNMENT

We are glad that, an understanding, reached between the IBA and UFBU on extension of one more pension option to the CPF Optees on certain terms and conditions, has been approved by the Ministry of Finance, Government of India and necessary communication will be received shortly at IBA office for extending the pension offer to CPF Optees. There will be 60 days time; thereafter available to exercise the option.

2. In the mean time, few CPF Optees have filed suits in various courts challenging the said understandings and demanded extension of one more option on pension without recovery of contribution to pension fund at 2.8 times of revised pay from the arrears of salary and allowance payable under 9th bipartite. We understand that, Hon'ble

High Court of Madras has granted a stay on the operation of the understandings of IBA with UFBU on 2nd Option on Pension. Apart from IBA, workmen organisations are also made parties to the suit. Unless, the said stay is vacated, IBA cannot issue offer letter on pension.

3. The case came up for hearing to-day, and the Hon'ble High Court has adjourned it to 6th July, 2010 for final hearing and order.

4. Confederation is in constant touch with the IBA and the Convenor of UFBU, to initiate appropriate steps to vacate the stay, at the earliest, to enable IBA to issue necessary instructions to member Banks on the Pension offer. **n**

SILVER JUBILEE CELEBRATIONS BY AFFILIATES AND STATE UNITS CONFEDERATION MOVES FORWARD

We are happy to note that the Silver Jubilee Celebrations of the All India Bank Officers' Confederation is being celebrated all over the country as per the directives of the Executive Committee of the Confederation. Members are aware that the

Confederation was founded on 6th October 1985 at the Foundation Conference held at New Delhi and is completing 25 years of its meaningful existence as the largest trade union organization amongst the supervisory cadre in the world. The celebrations began

BE TRUTHFUL, BE FEARLESS

with a grand gala Inaugural function at Chennai where a special Executive Committee Meeting was held and the leaders of the Confederation, both present as well as past were present to see the take off of this grand gala celebrations all over the country.

2. The Executive Committee also deliberated on the various aspects of our movement and decided to take up several activities. The major one being rejuvenation of the Bank Officers' Movement under the banner of the Confederation and to ensure that the objectives for which this great organization was founded in the year 1985 is carried forward with greater commitment and conviction. The Confederation also as a part of its response to the aspirations of the society at large and also in true spirit of its functioning took several social action programmes and suggested to the affiliates of the Confederation as well as the State Units to take up these activities on the occasion of celebrating the silver jubilee of the Confederation.

3. Confederation have been receiving reports from all the affiliates and State Units who have so far conducted the silver jubilee celebrations. The leadership of the Confederation was present in these

functions to inspire the rank and file across the country and spread the message of consolidation and unity amongst the bank officers in order to implement its objectives and commitment to the members of the Officers' fraternity. The Executive Committee also directed that all the State Units should hold their General Body meeting on this occasion and at any cost these programs should be completed by the end of September 2010 so that when we assemble at Delhi for the grand gala Validictory Function of the Silver Jubilee Celebrations, we should have completed the decisions of the Executive Committee and all the activities that have been chalked out by the Executive Committee in connection with the Celebrations.

4. The Executive Committee of the Confederation will be meeting on 30th and 31st July 2010 to discuss all the current topics which are important for the Bank Officers' fraternity as well as our movement. One of the issues that is expected to come up for discussions is the activities of Silver Jubilee Celebrations and also its final phase in order to galvanize the membership across the country. We are confident that the State Units and affiliates who are yet to take up the activities, will take up on priority basis at the earliest.

SILVER JUBILEE CELEBRATIONS

A GRAND FUNCTION ORGANISED BY ASSOCIATE BANK OFFICERS' ASSOCIATION STATE BANK OF HYDERABAD UNIT AT HYDERABAD

The Officers' do not enjoy statutory support, the Federation and Confederation does not depend upon the political support being an apolitical organization, we run our own organization with the subscription collected from our own members and only strength that we have in our trade union movement is the strength of the committed members like you who have always stood by the organization and fought against all the injustices against the officers and were able to get several facilities and rights over the last 25 years of our existence" declared Com.G.D.Nadaf, the General Secretary of the All India Bank Officers' Confederation and also the All India State Bank of India Officers' Federation addressing a mammoth gathering of comrades from the State Bank of Hyderabad under the banner of ABOA – Unit SBH as a part of the Silver Jubilee Celebrations of the Confederation on 14th July,

2010 at Hyderabad. The busy working did not deter the militant comrades from attending in such a large numbers to participate in the Silver Jubilee Celebrations of the Confederation which was being organized by the ABOA – SBH – unit under the able leadership of Com.P.Narasimha, the Chairman and Com.Peddi Sudakar, the Secretary of the Unit.

2. Com.Nadaf, also covered the entire gamut of the negotiations under the 9th bipartite, the industrial relations scenario which was prevailing in the banking industry during the period of negotiations on 2nd option as well as the various issues that are confronting the banking industry. He appreciated the gesture on the part of the ABOA – Unit SBH in organizing a wonderful function on the occasion of celebrating the Silver Jubilee wherein the noted philanthropist and Padmashri awardee Dr.A.Saibaba Goud, the Founder of Devanar Foundation for the

SUCCESS COMES ONLY TO THOSE, WHO DARE AND ACT

visually enabled, a famous institution which has received world wide acclamation for its contribution to the cause of supporting the blind and giving them excellent education, as the Chief Guest on the occasion to receive a donation from the SBH – Unit of ABOA as a part of Social activity of the Association under the Silver jubilee celebrations. He also covered the present banking scenario including the sensitive issue of merger and acquisition in the banking industry with particular reference to the Associate Banks’ merger with State Bank of India. He assured the house that the leadership of the Federation appreciates the sentiments of the members of the Associate Banks. Com.Nadaf, was also extended a warm felicitation and honour by the ABOA – SBH – Unit on the occasion in recognition of his valuable services to the Bank Officers’ movement and the successful conclusion of the 2nd option on Pension as well as the historic 9th Bipartite Settlement.

3. Dr.A.Saibaba Goud, responding to the gesture of the ABOA Unit – SBH explained in detail the various activities undertaken by the Foundation and also the huge success it has achieved over the last several years and educating the blind students. He also thanked the Association for the gesture on their part in donating an amount of Rs.50,000 towards the Devanar Foundation for the Blind.

4. Earlier, the meeting commenced with the invocation by Com.Indira. Com.P.Vijaya Rangam, vice-president of the Association extended a warm welcome to all the dignitaries who were present on the occasion. The meeting was presided over by Com.P.Narasimha, the Chairman of the Unit. While giving his introductory remarks and the details of the expectations of the members Com.P.Narasimha,

desired that the Federation should continue to look forward for the welfare of the members of the ABOA – SBH unit and support all their aspirations. Com.Peddi Sudhakar, General Secretary of the SBH Unit in his preliminary remarks expressed his happiness as AISBOF leadership are supporting the ABOA Units. Com.D.Krishna Kumar, the General Secretary of the SBIOA, Hyderabad Circle, Vice-president of the Federation along with Com.M.Manaiah, the Dy.General Secretary of the SBIOA, Hyderabad Circle were also present as the Guest of Honor on the occasion. The leadership of the SBH – Unit had also invited the senior stalwarts of the movement Com.Madhasudhan Rao, the former Chairman and Com.A.Anantha Krishna Rao, the former Secretary of ABOA and felicitated them on the occasion. The leadership of the Unit had also invited Com.Shantha Raju, the former leader of the Bank Officers’ movement and honoured him on the occasion. All the former leaders also extended their greetings and wished all the success for the unit on the occasion. Com.D.Krishna Kumar, and Com.M.Manaiah, extended their felicitation and greetings to the success of the function on the occasion. The meeting concluded with a vote of Thanks by Com.N.Gopala Krishna Murthy.

5. The militancy and solidarity of the members of the State Bank of Hyderabad under the banner of ABOA is highly inspiring and motivating. We are confident that the interest and the welfare of the members of the unit are safe under the present leadership led by Com.P. Narasimha, the Chairman and Com.Peddi Sudhakar, the Secretary of the Unit. “*Common Bond*” compliment the office bearers of the unit for the successful conduct of the grand silver jubilee celebrations and also the social service they had undertaken on the occasion. n

REPORT FROM DELHI STATE UNIT ON SILVER JUBILEE CELEBRATIONS BLOOD DONATION & EYE CHECK UP CAMP

Delhi State Unit organised a blood donation and eye check up / cataract operation camp on 28th June, 2010; commemorating the Silver Jubilee year of AIBOC. Blood donation camp was organised with the help of Indian Red Cross Society, New Delhi, and Eye camp was in collaboration with Mahavir International a religious welfare non

profitable NGO, who is running five eye hospitals in Delhi. Camps were conducted at the premises of Bank of India at their Pahav Ganj Branch New Delhi, with the infrastructure provided by the State Unit of AIBOC. Camp was inaugurated by veteran leader Com. K.D. Kheda.

NEVER BEND BEFORE THE INSOLENT MIGHT

Blood Donation Camp: After proper screening, 119 units of blood were collected from officer comrades from various affiliates, customers and family members.

Donors were given mementoes with elegant logo and name of the Confederation embossed on it, after serving refreshments.

EYE CAMP: 318 people from the colonies in the vicinity of the camp turned up for eye check

up. Among the persons who attended the camp, 18 cases of cataract were detected who were advised for free cataract operation at Rajdhani Eye Hospital, a specialty hospital run by Bahavir International. State Unit born Rs. 11000/- towards the cost of operation and the lenses.

“Common Bond” congratulates, the Delhi State Unit of AIBOC, in successfully conducting the blood donation and eye camp, commemorating the Silver Jubilee Celebrations of AIBOC.n

HOUSING AND CONVEYANCE LOANS TO OFFICERS

Text of our letter No./1452/217/10, Dated 21.07.2010, Addressed to The Chairman, The Indian Banks' Association, World Trade Centre, MUMBAI – 400 020.

Dear Sir,

One of the residual issues under non-monitory category was the revision of the ceilings in respect of the Housing as well as Conveyance Loans to Officers in the Banking Industry, is yet to be sorted out. The last revision in these category of loans was almost outdated in view of the tremendous escalation in the cost of construction and the increase in the price of the 4 wheeler vehicles to a great extent.

2. The issue although flagged as an important one in the negotiations on the Charter of Demands submitted by us, in view of the paucity of time, it was decided to take up the issue separately on completion of the agreement on the 2nd option on Pension as well as Salary Revision. We have been receiving anxious enquiries from our members all over the country that the existing housing loan scheme should be very comprehensively revised on the basis of market rates in order to facilitate them to own their houses. The present ceilings are grossly inadequate and they are compelled to borrow the shortfall at a higher rate of interest.

3. The issue was an industry level one. However, due to the steep rise in the cost of construction, the managements of some of the banks through a bipartite settlement have raised the ceiling and also

some of the provisions of the terms of the housing loan in order to facilitate their members to go in for owning of their own houses. The State Bank of India came out with a very comprehensive scheme as per the settlement reached with their Federations to provide relief to officers to meet the escalation in the cost of construction. Thereafter few other banks also followed suit. We understand that recently, the Managements of Bank of Baroda, Union Bank of India, Bank of India and Indian Overseas Bank have also extended similar benefits to their employees through bilateral settlements.

4. It is in this background, there is an urgent need to review the existing scheme as demanded by the Confederation in their Charter of Demands. We furnish below the extracts of our Charter of Demands in respect of the Loans schemes that are to be revised.

Loans and Advances:

Housing Loan: The existing ceiling on Housing Loan should be enhanced to Rs. 30 lacs with the repayment period spanning upto 30 years.

Rate of Interest:

Schedule should be fixed in such a way that the officers are not put to hardship with a provision for re-payment from their pension even after their retirement, upto the age of 75 years.

The premium on insurance of loan amount should be met by the banks.

Festival Advance:

An interest free Festival Advance of 3 months' gross

SAVE PUBLIC SECTOR, SAVE INDIA

salary should be granted. The repayment schedule can be extended from 12 months to 18 months.

Conveyance Loan:

The quantum of conveyance loan to all officers to be raised to Rs. 10/- lacs at 2% p.a interest.

Other Loans:

The quantum of clean O.D. should be doubled, at 2% interest p.a.

Education Loan:

The Wards of officers should be eligible for grant of education loans, free of interest during their study period. The loans may be recovered after their employment at 2% p.a. In view of transferability of officers, lack of priority in central schools etc., IBA should start schools atleast in Metros to ensure

uninterrupted education of children of bank officers.

On the death of officer, all loans should be waived.

5. We therefore request you to kindly take a positive view and consider our demand positively. In case further details and discussions are required we request you to kindly arrange to convene a meeting at an early date to enable us to place our views on the subject for your immediate consideration.

Please treat the matter as urgent.

Thanking you,

Yours faithfully,
Sd/-
(G.D.NADAF)
GENERAL SECRETARY

**OFFICERS KEPT UNDER SUSPENSION:
PENDING DEPARTMENTAL ENQUIRY**

Text of our letter No. /1452/220/10, Dated, 22nd July, 2010 Addressed to, The Chairman, Indian Banks Association, World Trade Centre, Cuffe parade, Mumbai- 400 020.

Dear Sir,

The Management may suspend an officer employee against whom disciplinary action is contemplated or enquiry is pending. The employer has to exercise this power when grave charges of misconduct such as serious act of omission or commission are alleged against the officer employee. Under such circumstances the Management resorts to such steps to keep the officer employee out of mischief's range or to deny the officer employee to have access to materials, records, evidence which have a bearing on the gamut of charges leveled against the officers.

2. But, of late we have been observing that the Managements are not exercising this power with due caution and care and application of mind. Officers are suspended without making a fair and proper assessment of the matter in the given circumstances, without carefully scrutinizing that prima facie there exist grave and compelling circumstances which in the light of material available and collected during the preliminary investigation, lead to likely removal of the employee from service of the bank. In most of the cases

the officer employees are suspended from the service of the bank as a punitive action; though it is not penalty technically, causing great hardship, harassment, mental agony to the concerned.

3. The suspended officers are eligible for payment of subsistence allowance during the period of suspension. But, no uniform policy is followed as regards rate of the subsistence allowance. In case of workmen the managements have been considering the following:-

- (a) 50% of the Salary & Allowances for the first six months.
- (b) 75% of the Salary/Allowances for the next six months.
- (c) 100% of the Salary/allowances will be restored after completing one year i.e. full wages.
- (d) If there is any revision, increase in the salary, the revision or increase will be extended to the employee proportionately.
- (e) If an anniversary increment is due during the period of suspension, the same will be granted to the workmen.

4. In respect of officer employees the subsistence

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

allowance is restricted to 50% of the salary, allowances etc., at the time of imposing the suspension. The suspended officers are denied the other benefits available to the workmen, thus causing him hardship and harassment.

5. Moreover, the officer employees are not given the benefits of salary revision or increase in pay scales during the period of suspension. This we feel is against the principles of natural justice and putting the officers in a totally disadvantageous position vis-à-vis the workmen. This amounts to punitive action, which in effect will be punishment to the suspended officer-employee.

6. In this background, we have a strong feeling that the rules for keeping the officer employees under suspension need a review and we request you to take note of our following suggestions and consider the same

positively.

- (i) Restore the salary and allowances on the same line as in the case of workmen
- (ii) Extend the benefits of salary revision increase, increments on the anniversary date falling during the period of suspension.
- (iii) Steps should be initiated for completing the enquiry within the shortest possible time frame.

We, therefore request you to arrange for a meeting to deliberate on the above vexatious issue and enable us to present our views on the issue.

Thanking you,

Yours faithfully,
Sd/-
(G.D. NADAF)
GENERAL SECRETARY

7TH STATE COUNCIL MEETING OF AIBOC A.P. STATE UNIT

7th State Council of AIBOC A.P. State Unit was held on 4th July, 2010 at Hyderabad. The programme commenced with prayer and welcome address by Com. Rajgopal Reddy, Chairman of reception committee. The programme was inaugurated by Com. G.D. Nadaf General Secretary by lighting the lamp along with others. Com. D. Krishna Kumar, Vice President of the State Unit, presided and delivered his opening remarks. Com. K. Raghunath Rao, Secretary of the State unit made introductory remarks.

Shri. R.S. Reddy , CMD of Andhra bank and President

of SLBC was the guest of the honour. On behalf of State Unit, cheque worth Rs. 50,000/- was handed over to Shri. Guru Sankalpam Parents Association for specially disabled children. Smt Subalaxmi, acknowledged the assistance on behalf of the organisation. Com. G.D.Nadaf General Secretary AIBOC in his inaugural address covered the successes story of 9th bipartite with 2nd option on pension and the task before the confederation. The inaugural session concluded with vote of thanks by Com. Gangadhar Yadav. **Common Bond** complements leaders of state unit for the success of the programme.

2ND BIENNIAL CONFERENCE OF OFFICERS ASSOCIATION OF MALWA GRAMIN BANK

The 2nd Biennial Conference of Officers Association of Malwa Gramin Bank was held at ABOA Bhavan SST Nagar, Patiala on 13.6. 2010 under the Chairmanship of Comrade Vivek Surinder Singh.

2. The meeting reviewed the performance of the Association since its inception and appreciated and applauded the efforts of Com. Vivek Surender Singh and Com. Rajender Sood the President and General Secretary respectively for taking the Association to a greater level.

3. While taking up the business as per the agenda,

meeting also appreciated the role played by AIBOC, in getting a respectable increase in the revision of salary for the officers along with second option for pension in lieu of PF. The General Secretary also apprised the house that the parent body has already taken up the issue of early extension of salary revision to RRB at par with Commercial Banks with Government of India.

4. It was resolved to celebrate the Silver Jubilee year of AIBOC by AIRRBOF and its affiliates in a big way by observing various programmes such as holding of seminars, General Body meeting, customer contacts, press meet, and social activities etc.

DUTY FIRST, RIGHT NEXT

5. The following office bearers were elected at the meeting

1. Com. Rajender Sood President
2. Com. Sanjeev Sharma General Secretary

3. Com. Ravi Anand Treasurer

“Common Bond” congratulates the newly elected office bearers and wish them all success in carrying out their assignments.n

SYMBOL FOR THE RUPEE

The rupee joined a select band of currencies such as the US dollar, pound sterling, euro and the yen that have their own symbols. However, its widespread international usage could take up to two years, as technical systems still have to be put in place.

the exclusive club of international currencies which have their own special symbols. India's currency will have a distinct identity which will be internationally recognised at par with other international currencies like dollar, pound, yen, etc”.n

“We are happy that the rupee has today joined

Pranab Mukherjee
Union Finance Minister

FORFEITURE OF GRATUITY WITHOUT FOLLOWING THE PRINCIPLES OF NATURAL JUSTICE - ILLEGAL- CONTROLLING AUTHORITY

The Controlling Authority under Payment of Gratuity Act, 1972 in the matter of Shri. B.D.Sharma and Dena Bank vide order dated 30th December 2009 in application No. ALC/-1/36 (60) / 2008- (ACK) held that forfeiture of gratuity can be done only after ascertaining the extent of damage or loss caused to the bank and after issuing a show notice to the concerned employee, following principles of natural justice.

officers, including the applicant herein. His service was terminated along with other two officers. The remaining three officers were not dismissed from service but penalties were imposed on them. Their gratuity was also released along with that of Sri. S.K. Tandon ex- Regional Manager. Charge sheets were issued to all the six officers claiming loss and damage of Rs. 209.48 lacks to the bank.

2. The applicant Shri. B.D. Sharma Ex-Manger Dena Bank Regional Office, New Delhi filed an application before the Controlling Authority, under Payment of Gratuity Act 1972, seeking directions to Dena Bank, through Chairman and Managing Director for determination of the amount of gratuity payable to the applicant and to pay the same.

5. It was contented by the applicant that the bank has not ascertained the proportion of the loss and damage caused to them by the applicant and, without ascertaining this, the gratuity cannot be forfeited wholly in a hypothetical manner.

3. Service of the applicant was terminated on 21.3 2002 for an act of wilful omission, causing loss to the bank while sanctioning a loan, and the gratuity payable to him was forfeited in accordance with Dena Bank Employees Gratuity Fund Rules and Payment of Gratuity Act 1972.

6. Applicant called for the production of records of the compulsory retirement of Sri. S.K.Tandon the Ex-Regional Manager under whose command the applicant was working. It was also pointed out that the gratuity of Sri.S.K. Tandon was released, along with three other officers.

4. According to the applicant a sum of Rs. 209.48 lac was sanctioned to M/s Bhajan Singh at the instance and pressure Sri S.K. Tandon the than Regional Manager, while he was working as Branch Manager at Mayapuri Branch. While Sri. Tandon was compulsorily retired form service; charge sheets were issued to six

7. In the dismissal order of the applicant, it was mentioned that Sri. B.D. Sharma shall not be eligible for any pay and allowance other than subsistence allowance for the suspension period which has already been paid to him. No order of forfeiture of gratuity was issued by the bank at the time of dismissal form service of the bank. It is clear that the extant of damage or loss (as envisaged in section 4 (6) (a) of Payment of Gratuity Act) caused to the bank by the applicant

LET NOBLE THOUGHTS COME TO US FROM EVERYWHERE

has also not been ascertained in this case.

8. The Hon,ble High Court of Madhya Pradesh in the matter of Perimal Wallace Ltd vs. State of Madhya Pradesh (1996 LLR 414) held that before forfeiting the amount of gratuity, the employer is required to afford an opportunity to the employee to explain why his amount of gratuity be not forfeited. Failure to do so would make the forfeiture unjustified.

9. It is an admitted fact that neither any specific order regarding forfeiture of gratuity was issued by the bank

nor any show cause regarding forfeiture of gratuity was issued to him following the principles of natural justice before forfeiture of gratuity.

10. Therefore it was held that forfeiture of gratuity of Shri. B. D. Sharma is not justified and that B.D. Sharma is entitled for payment of gratuity.

11. The bank was directed to pay an amount of Rs. 3,50,000/- along with simple interest @ 10% percent annum with effect from 1-4-2002 to the date on which it is paid with in 30 days of receipt of the order.¶

FM URGES PSBs TO RAISE FARM CREDIT

To bring out farmers from the clutches of money lenders, finance minister Pranab Mukherjee on 6th July, 2010, urged public sector banks (PSBs) to increase their kisan credit cards (KCC) across the country by 20% in 2010-11, both in terms of the number of accounts and the amount disbursed.

He also asked banks to tap the vast opportunity provided by semi-urban and rural markets by converting savings in these areas into financial assts. For states, the most important job is the financial inclusion of the population, he said. "I advise banks to transform savings from the semi-urban and rural markets into financial assets through effective financial inclusion. It will strengthen financial deepening," Mukherjee said.

"Only 37.2% of bank branches are in rural areas and only 40% of the country's population has bank accounts. Financial inclusion enable the poor to bring their savings in the common financial system, is an avenue to remit money to their families in the villages and also weans them away from the clutches of money lenders," he observed. High lighting the plus points, Mukherjee said this year the country had a record credit flow in agriculture. Against a target of Rs.3,25,000 crore for the year, the credit flow to the agriculture sector went up to Rs.3,66,000 crore.

The government has set a target to provide banking facilities to areas with population above 2,000 by March 2012, the finance minister said.

He said the northern region has 22,494 bank branches which amount to approximately 26% of the total bank

branches. "There are 19,141 habitations with population above 2,000 as per the 2001 census that do not have banking facilities in the northern zone. Such habitations shall be provided banking facilities by March 2012," he stated.

"The productive sectors of the economy must receive timely credit so that economic production is not impeded," he said while addressing a meeting with chief ministers of northern states and PSU bank heads. Mukherjee pulled up Punjab and Uttarakhand for not amending their respective State Cooperative Societies Act. The FM has asked the states to implement the Vaidyanathan committee's recommendations to improve the cooperative-credits structure. The finance minister also asked the chief ministers to regularly review the progress of the centrally sponsored schemes, so that the benefits reach the common man.

He said implementation of the **Aam Admi Bima Yojana** and **Swavalamban** or the contributory pension scheme, are priorities of the Centre. Mukherjee revealed that in the area of micro and small enterprises' credit, the total credit in the north zone states has grown by 23% during 2009-10, over the previous year. States such as Haryana, Jammu & Kashmir, Utrakhand and Punjab have shown a growth of credit of more than 20% during the year 2009- over the previous year in credit to MSE sector. The growth in the remaining states and Chandigarh has been lower. Mukherjee also asked the states-which have received the revival package for the short-term cooperative credit structure-to take up reform measures required to be put in place to avail of the Central funds. He further informed that in the

KNOWLEDGE IS POWER

housing sector, the total housing credit in the north zone states has grown by about 67% during 2009-10, over the previous year. Interestingly, Jammu & Kashmir has shown the highest growth in the region of over 100%. He showed concern over the decreasing CD ratio of the states, and

said this was high only in Chandigarh, at 141% against a benchmark of 60%. He added that while agriculture credit flow has grown by 36% in the region, Haryana has shown a growth of over 50%.
Source: Financial Express

RBI TO EXTEND BANKING SERVICES TO ALL VILLAGES BY 2015

The Reserve Bank of India has set a target of extending banking facilities to all villages in the country by 2015 as part of inclusive growth, the RBI Deputy Governor, Dr. K.C. Chakrabarty, said.

As a first step, RBI has advised banks to extend banking services to every village having a population of over 2,000 by 2012.

The extension of banking facilities has not taken place in the country in the last 50 years due to absence of technological advancement and other institutional constraints, he said while speaking at after the formal release of India Micro, Small and Medium Enterprise 2010 (MSMER 2010) brought out by Institute of Small Enterprises Development (ISED) here on 21st May 2010.

He said majority of the six lakh villages in the

country do not have a proper banking system and lack access to credit. He said the growth in the MSME sector in the country has doubled in the last four years despite the global meltdown. The total credit extended to the sector by the banks is more than 25 percent and the contribution of the sector to the GDP is 11 percent. RBI, he said, had instructed all banks to extend all help to MSMEs and urged the enterprises not to seek concessional credit. There have been complaints of entrepreneurs are not getting help from banks.

He said that all deserving entrepreneurs should get credit. The many shortcomings in extending support to MSME sector can be rectified collectively. There is no need for giving concessional credit to unviable units, he said adding, that the MSME sector play a prominent role in keeping up the spirit of entrepreneurship.
Source: Financial Express

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