

COMMON BOND

Vol. 29 No. 4

BANGALORE

July - 2010

RE-CAPITALISATION OF BANKS

The Indian Banks are strictly adhering to the capital adequacy norms prescribed by Basel Commission. The RBI Guidelines are very particular that while finalising the Balance Sheet of each bank, the auditors should verify as to the capital adequacy and make appropriate comments on the position. The lending as well as other banking operations of each and every bank is subjected to the condition of meeting these international norms prescribed by the Basel Commission. Any deviation needs special approval from the Reserve Bank of India before publishing their balance sheets. Hence, an onerous responsibility is cast on the auditor community to ensure that the norms regarding the classification of assets, the provisioning as well as the Capital Adequacy are properly evaluated and certified to that effect.

While, the Private Banks have several routes to meet the target fixed by the Reserve Bank of India, it is only when it comes to the question of the Public Sector as well as the old Generation Private Sector banks, the issue assumes a great importance, from the point of view of the future of the banks under this category. It is not out of place to mention here that the Public Sector banks come under the lens of several outside, agencies including the RBI and the Auditors community, whether the norms are followed meticulously. In fact, the strict adherence itself has proved a boon to the Public Sector Banks which could easily scrape through the so called US recession impact especially in the Banking Industry.

The big question that is to be addressed by the Public Sector Banks is the maintenance of the Capital adequacy norms in the next couple of years. There are smaller banks which are slowly and steadily strengthening their capital base and also cleaning up the past contaminated assets

and a sizable portion of the profits is earmarked for this purpose. Hence, there is a possibility of the Government using the capital adequacy alibi to force the consolidation on which they have been harping for such a long time. The smaller banks have sufficient leverage in terms of the private equity and Government's stake and still a reasonable margin is left to go to the public to raise capital, but the question would be to what extent the Central Government is willing to fund their portion of equity in case additional capital is to be raised in case there is no leverage available in terms of the equity held by the Government and the Public. The next five years is going to be a tougher time for the Public Sector as well as the Private Sector banks since the credibility of these banks is such that the deposits are bound to go up in view of the uncertainty in the market and also the possible risk that is confronting these banks in the matter of deployment of these funds in the market coupled with the need of maintaining the capital adequacy ratio at 12% as per the Basel Norms.

The Confederation has been maintaining that the Public Sector units should remain in tact under the ownership of the Government. No further dilution of the Government's equity should be attempted. It may be recollected that when the State Bank of India decided to go for rights issue, the Central Government did not hesitate to opt for the subscription of rights issue of its share thus not allowing the dilution of the Central Government equity. The Banks' have been contributing a huge dividend to the Government over the last several years. In fact, the Government has been directing all profit making public sector units from time to time to ensure adequate dividend to increase the revenue. There is a case for the Banks to demand adequate recapitalization from the Government to see that their operations are not affected. The Government

VANDE MATHARAM

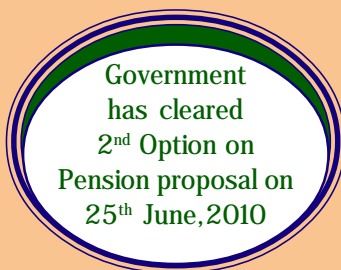
had 100% ownership earlier, to allowing the Public Sector Banks to reach out to the Public for additional capital. Now, it is time for the Government to ensure that their equity is rebuilt by providing adequate funds to the Banks.

The Confederation also suggested long time back that the Government should create a separate Fund for the purpose of infusing additional capital to those needy banks out of the dividends received

by them. In comparison with their initial investment, they are now in receipt of huge dividends from the Banking Sector and they owe a duty to recycle the same to the banks in the form of recapitalization rather than advocating for the so called consolidation through mergers since each and every Public Sector Banks have their own traditional history and that needs to be protected in the interest of the banking industry.

9TH BIPARTITE SETTLEMENT – GOVT.’S APPROVAL RECEIVED IBA ISSUED GUIDELINES FOR IMPLEMENTATION

We are happy to inform all our members that the concluding part of our settlement that is the implementation of the 9th Bipartite Settlement entered into between the Confederation and IBA for its implementation, pending amendment to Officers’ Service Regulations have since been received from the Government. The IBA has already issued communication to the Member Banks to implement and pay the arrears of salary as per the settlement reached with us. The IBA has also further instructed the banks to be in preparedness for the introduction of the 2nd Option on Pension since the formalities of getting approval from Government is in process.



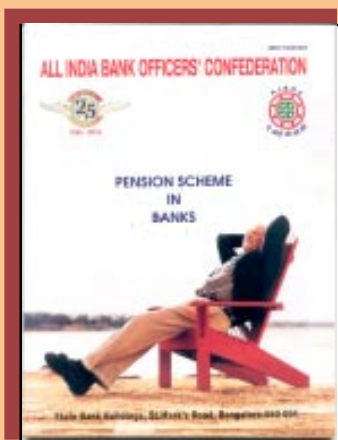
2nd Option on Pension is a historical development in the Bank Officers’ movement. This glorious chapter comes to an end with a happy note of the implementation of the 9th Bipartite immediately and the 2nd Option on Pension in due course. We will also keep our pressure on to ensure that the instruction for the implementation of the 2nd Option on Pension is received at the earliest from the Government to enable our members to avail the benefit. Our affiliates are advised to take up with their respective management and see that the salary arrears as well as the implementation of the revised salary scales are implemented at the earliest possible.

2. Comrades, the long drawn struggle, the continuous process of dialogue, the discussions and the conclusion of the agreement on the salary revision as well as the

3. Please collect the levy amount as already advised and remit the same to the confederation as early as possible. n

2ND OPTION ON PENSION: BOOKLET RELEASED

In response to the enquiries from our members, the representatives of the affiliates and the State Units all over the country on various aspects connected with the settlement that has been reached by the Confederation in regard to the extension of 2nd Option on Pension to those who had not opted earlier, AIBOC have now come out with a detailed publication providing all the relevant details which would be helping them to take a quick view on the issue and exercise their option within the time limit that may be prescribed at the time of the Notification to this effect. We had already circularized



the information about the publication and there were anxious enquiries as to the supply of copies to our members, the affiliates, the State Units etc., and we will be attending to all those requests in due course.

2. In the meanwhile, they wish to re-iterate their position that the inputs provided in the booklet is to throw a light on the entire gamut of the 2nd Option on Pension and also to give out our mind in regard to the decision making process. However, as regards the individual cases that need to be worked out to find out the final position on the various components that have been

WORK IS WORSHIP, DO YOUR DUTY

covered in the booklet such as the commutation amount, family pension the final fixation of Pension etc., each case needs to be individually worked out and may not exactly tally with the examples furnished. The examples furnished are only guidelines to our members to enable them to workout their individual cases without seeking any assistance from the Management or other concerned. Hence, they have to workout individually their own cases and in case of any doubts, or clarifications that are required they should be in touch with their respective affiliates for further guidance and advice. They are also free to contact the Head quarters

of the Confederation along with all the details in case they need our guidance in the matter.

3. The booklet will be of immense help to our members both serving and retired and would help them to arrive at the right decision and to opt for the Pension in the interest of their own well being and the members of their families.

4 The cost of the booklet is Rs. 70/- (Rupees seventy only) together with postage charge of Rs. 20/- per book.n

PENSION OPTION

MEMBERS QUITTING UNDER VOLUNTARY RETIREMENT/RESIGNATION ETC.,

One of the issues that has been taken up by the Confederation with the IBA is to provide an opportunity to all those who left the service under resignation/voluntary retirement other than the special scheme introduced by the Bank, the benefit of the Pension Scheme, since the Pension regulations do not include these category of officers. Confederation have therefore sent an appropriate communication to IBA seeking relaxations in the Pension Regulations to include all such cases which come under the minimum qualifying service for Pension eligibility under the scheme. The IBA is yet to respond. It is required to follow-up the issue together so that a large number of employees who left the banks' services by way of resignation but have completed the minimum years of pensionable service for the purpose of Pension, as in the case of the Pension optees.

2. It is now given to understand that some of the CPF Optees are putting in their papers for voluntary retirement without being conscious of the implications of such acts on their part although they have completed the minimum qualifying service under the Pension Regulations. All such

members are requested to await the implementation of the 2nd Option on Pension Scheme, the process of which involves, issuance of the Notification, acceptance of the offer and completion of the formalities of transfer of Provident Fund balance accumulated in their accounts as per the understandings before venturing to submit their papers presumably under the impression that they would be eligible to Pension benefit in the normal course.

3. This communication is meant to alert all such members who are not aware of the extant provisions and may be submitting their papers under the impression that Pension will be automatically extended to them once the 2nd Option on Pension Notification is issued, since they were on the rolls of the banks on the date of signing the settlement. It is better to await until the formalities are completed rather to take the risk of getting into technical wrangles at a later date.

4. All our affiliates are requested to keep their members properly informed to avoid difficulties to all such members at a later date.n

2ND OPTION ON PENSION FAMILY PENSIONERS

Text of the letter No./1452/171/10, Dated. 02.06.2010, Addressed to The Chairman, The Indian Banks' Association, World Trade Centre Complex, Centre 1, 6th Floor, Cuffe Parade, MUMBAI - 400 005.

Dear Sir,

The current settlement on extension of 2nd option

on Pension to all those employees serving as well as retirees, prescribes certain conditions. These conditions are applicable to the legal heirs of the deceased employees also, who will be eligible for the Family Pension as per the extant provisions of the Pension Regulations. The Pension Regulations do not provide for commutation of Pension by the Family Pensioners and further the rate of Pension payable to them is far less than the regular Pension. However,

SELF HELP IS BEST HELP

these employees are also required to make payment of PF balance received by them along with 56% of the balance thus placing a huge burden on them. They would find it extremely difficult to raise this money and also subsequently service such loans from the lesser Pension they would be getting. We therefore suggest that the IBA can come out with a special provision to provide them appropriate relief. Our views in this regard are:-

- a) They may be exempted from the payment of the additional amount over and above the Provident Fund they have received to provide certain relief to them;
- b) They may be notionally permitted to avail the commutation and the same may be treated as ex-gratia on humanitarian consideration and need not be recovered from the Family

Pension as per the present provisions in the Pension Regulations;

- c) Any other suggestions that may emerge during the course of meeting on the subject to provide necessary relief.

2. We therefore request you to kindly look into the matter and convene a meeting exclusively on the subject to resolve this vexatious issue.

3. Please treat the matter as urgent.

Thanking you,

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

REGULATED WORKING HOURS

Text of the Letter No.1452/189/10, Dated, 12.06.2010, Addressed to The Chairman, The Indian Banks' Association, World Trade Centre Complex, Centre 1, 6th Floor, Cuffe Parade, MUMBAI - 400 005.

Dear Sir,

One of the issues that is under discussions with the Indian Banks' Association for a long time is the need for fixing regulated working hours to Officers' Community in the Banking Industry. The issue has also figured in the Charter of Demands submitted by the Confederation. Since the time available for discussions of the residual issues was not sufficient to finalize several issues listed out by us at the time of the settlement of the 9th Bipartite in the recent past, the Confederation suggested that the issue can be flagged for subsequent meeting.

2. The Officers are placed in a most disadvantageous position in the absence of prescribed working hours for them. The Management always claims that officers are not coming under the Shops and Establishments Act and hence not eligible for the extra compensation that they are legitimately eligible for their extra working hours prescribed under the Shops and Establishments

Act. The Management has always been claiming that officers are part of the Management and there is no prescribed working hours for them. However, these perceptions were based on the Central Civil Service Rules which were adopted from the imperial regime. The Banking Industry is a service industry and the employees irrespective of the cadre are eligible for appropriate relief in terms of both the working hours as well as the compensation for the extra hours of work put in by them.

3. In the absence of the definite working hours being prescribed for the Officers, due to pressure of work they are made to work for almost 14 to 16 hours a day and there is no relief making them to suffer from fatigue and related problems. The Officers are compelled to sit late in the name of supervisory responsibility and completion of work and it stretches upto mid night in most of the branches. The Officers who are working in the interior parts and rural centers where the branches have a limited staff and the infrastructure is far from satisfactory will be subjected to all sorts of difficulties. Attending to office work on Sundays and Holidays has almost become routine for officers. They are deprived of availing leave for want of relief arrangements at branches. The Officers all over the country have been urging for definite working hours so that they can be in a position to enjoy the social life and can look into the problems of their domestic life

BE TRUTHFUL, BE FEARLESS

such as children's education, health of the members of the family etc. The tension that they undergo due to the vicarious responsibility they carry with their role is yet another factor which will affect their health condition.

4. It is in this background, the Confederation has been demanding that the IBA should settle the issue with the Confederation and fix definite working hours to Officers which is not unreasonable so that they are also in a position to have normal physical relief and can lead a healthy and tension free life. It is needless to add that, there is a need in the banking industry to take up the issue of manpower planning to fill up the existing vacancies of staff both clerical and supervisory and also to plan for the future. In the next 2-3 years, majority of existing staff will retire in normal course. Almost all Banks have ambitious plan of branch

expansion. The business of the Bank is multiplying in leaps and bounds, without corresponding increase in the staff strength. This apart, banks are entering into new business activities. We, therefore request you to kindly look into the matter and take early decision in this regard. If required we are willing to discuss the issue further to substantiate the reasonableness of our demand and provide further inputs for your positive consideration of the demand.

5. Please treat the matter as urgent.

Thanking you,

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

SALARY REVISION ISSUES RELATED TO FITMENT ON PROMOTION

Text of the Letter No./1452/190/10, Dated.12.06.2010, Addressed to The Chairman, The Indian Banks' Association, World Trade Centre, MUMBAI - 400 020.

Dear Sir,

We thank you for the comprehensive guidelines issued in regard to implementation of the 9th Bipartite Settlement in respect of the Officers in the Banking Industry. During the course of our discussions, we requested IBA officials, to offer certain clarifications in respect of fitment on promotion from clerical to officers' cadre and promotions within the officers' cadre.

2. The issue of the fitment in respect of promotions from Clerical to Officers' cadre is a subject matter which has to be discussed between the Officers' organisations and the Managements of each bank at the bank level on the basis of the guidelines issued by the IBA. These guidelines are issued in consultation with the Confederation from time to time. We therefore request you to kindly issue appropriate clarifications on the fitment in respect of Promotions as mentioned above covering the following areas:-

- a) The Workmen Staff promoted from Clerical grade to the Officers' Grade should be given fitment based on their basic pay exclusive of all other components of pay such as the FPP, PQP, Graduation increments etc and adding the same after fitment in officers' scale. If a clerical employee, passes CAIIB part I or Part II after reaching maximum in clerical scale and thereafter gets promoted to the officers' grade, the promotee officer shall be first fitted into the officers' scale as per the Fitment formula and thereafter shall be granted one or two increments as the case may be in the officers' scale for passing CAIIB Part I/Part II. The exercise will avoid the inter-se anomalies.
- b) In so far as the FPP is concerned, the joint note states that it shall remain frozen for the entire service irrespective of whether the officer concerned is promoted to the next higher scale or otherwise. However after the 8th bipartite settlement, at our instance, a clarification was issued by IBA to the effect that if an officer is promoted from one scale to another after reaching the maximum in the previous scale and receiving the FPP the frozen FPP shall continue to be paid till the officer reaches the

SUCCESS COMES ONLY TO THOSE, WHO DARE AND ACT

maximum in the revised scale and completes one year. Thereafter the FPP would be revised as applicable to the revised scale. We request you to reiterate the above clarification to enable the officers to get proper fitment of FPP in the payment of salary arrears.

3. There are other residual issues as well. We seek a separate meeting to discuss all those issues. As the above issues were discussed informally and there was a concurrence on the suggestions made by us, we seek

your immediate clarification to enable our members to get the full benefit of the salary revision.

4. Please treat the matter as urgent.

Thanking you,

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

REVISION OF GRATUITY CEILING- DATE OF EFFECT- DISCRIMINATION TO BANK OFFICERS-CONFEDERATION SEEKS INTERVENTION OF THE GOVERNMENT

Text of the Letter No.1410/173/10, Dated:7.06.2010, Addressed To Shri. Mallikarjuna Kharge, Hon'ble Minister for Labour, Government of India, New Delhi.

Dear Sir,

BENEFIT OF GRATUITY REVISION TO WORKFORCE IN THE BANKING INDUSTRY

The Banking Industry is considered as an extended arm of the Government machinery both in respect of its functioning and their responsibility towards the Nation. The workforces involved in the administration of the Banking Industry are similar to that of the Government workforce except that they are recruited by the Government. Whereas the workforce in the Banking Industry is recruited by the respective managements of the Banks under the guidance and directions of the Government from time to time.

2. The service conditions governing the Bank Officers are still much closer to that of the civil servants. The salary and other benefits are no doubt negotiated at the industry level by the Confederation and other organisations but it is ultimately approved and cleared by the Government of India since the Government is the absolute master as far as the Officers' fraternity in the banking industry is concerned. It is in this background; whatever the schemes that are brought in the Government in the matter of service conditions are being introduced in the Banking Industry either

through negotiations or by persuasion from time to time. The recent classical example is the introduction of the New Pension Scheme as available to the Central Government employees to the Bank employees as well under the 9th Bipartite Settlement plus 2nd option on Pension agreements.

3. It is in this background, we need to examine the recent developments in regard to the Payment of Gratuity Act. The ceiling of the gratuity was enhanced from Rs.3.5 lacs to Rs.10.00 lacs due to the recommendations of the 6th Pay Commission which is responsible for bringing revolutionary changes in the superannuation scheme including the improvements in the Pension Scheme. In fact, the Government went one step ahead and decided to grant the enhanced gratuity to their employees with effect from 1.1.2006 since it was the date from which the 6th Pay Commission was implemented. As the time available was short for obtaining the approval of the Parliament for the enhancement of the Gratuity Ceiling under the Act, the Government by issuing an administrative notification provided the improved Gratuity benefit to their employees all over the country. As a model employer, the Central Government did a right thing which raised the hopes and expectations of all other sections of the workers more so the Public Sector units including the banking industry. The Reserve Bank of India emulated the example of the Government thereby confirming our faith and belief that the Bank employees are also bound to get a similar treatment from the Government since there is already a precedent in respect of the employees of the Reserve Bank of India.

NEVER BEND BEFORE THE INSOLENT MIGHT

4. The Confederation was the first organization to approach to your goodselves and also to the Finance Minister and submitted a Memorandum for taking care of the interest of the employees in the Banking Industry. We were given a patient hearing and also sympathetic response that the issue will be resolved and the amendment will be moved making sure that the date of effect will be retrospective one. When the amendment got the approval of the Parliament, our hopes were dashed, since there was no mention of date of effect; rather the Law Ministry issued a Gazette Notification saying that the date of effect will be decided by the Central Government. When we established contact with the departments concerned at the Center, there were again sympathetic attitudes towards our legitimate demand that the employees in the Banking Industry should be treated on par with the Government employees as well as the workforce of Reserve Bank of India and the benefit of the enhanced gratuity should be made effective from 1.1.2006.

5. However, the Gazette Notification issued from

the government came as a bolt from blue. We have been getting anxious enquiries from all parts of the country on date of effect and there is a lot of frustration brewing all over the country. An individual who retires on 23rd May 2010 or earlier from the date of 1.1.2006 gets a Gratuity of Rs.3.5 lacs whereas the one who retires on or after 24.5.2010 gets a Gratuity of Rs.10 lacs nearly a difference of Rs.6.5 lacs in the superannuation benefit of the workforce in the Banking Industry, which is quite substantial.

6. We, therefore request you to initiate necessary administrative action to treat officers working in Banking Industry, at par with Government employees, in respect of date of effect of enhanced ceiling on gratuity.

Thanking you,

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

**PAYMENT UNDER PAYMENT OF GRATUITY (AMENDMENT) ACT, 2010
WORKING**

(A) STATUTORY GRATUITY

i) SERVICE CRITERIA

These provisions are applicable to employees who are covered by the Bank's Pension Scheme. Gratuity is payable to an employee on the termination of his/her service after he/she has rendered continuous service for not less than 5 years:

- a) On his / her superannuation, or
- b) On his / her retirement or resignation, or
- c) On his / her death or disablement due to accident or disease.

Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of any employee is due to death or disablement.

ii) CALCULATION OF GRATUITY:

Gratuity is calculated at the rate of 15 days wages for each completed year of service or part thereof in excess of 6 months on the basis of 26 working days in a month as per the following formula and the

calculation based on 26 days-effective from 23rd July 1980.

$$\frac{\text{WAGES (Basic + DA + POP + FPP)} \times 15 \times \text{NO OF YEARS OF SERVICE}}{26}$$

iii) MINIMUM AMOUNT PAYABLE:

Actual amount that works out on calculation, Maximum Rs. 10/- lacs.

B) SERVICE GRATUITY:

i) CALCULATION:

Service gratuity is payable at the rate of one month's pay (Basic pay + FPP + PQP) for every completed year of service, subject to a maximum of 15 months' pay and additional amount at the rate of one half of a month's pay for each completed year of service beyond 30 years.

ii) MINIMUM AMOUNT :

Actual amount that works out on calculation subject to maximum Rs. 10/- lacs.

SAVE PUBLIC SECTOR, SAVE INDIA

C) COMPASSIONATE GRATUITY:

i) SERVICE CRITERIA:

On the death of an officer compassionate gratuity is payable to the nominee or legal heirs of the deceased member.

ii) CALCULATION:

a) Amount will be calculated as per Payment of

Gratuity Act, 1972.

b) Gratuity will be calculated as per DTCS Order and in addition to that ¼ of pay will be payable to every completed year of service rendered by the member between 16th to 30th years of service.

Higher of the amounts calculated under (a) and (b) above will be payable to the nominee or legal heirs. Minimum Rs. 10,000/-, Maximum no limit.n

5 DAY WEEK IN BANKING INDUSTRY LONG PENDING DEMAND OF AIBOC

Text of the our letter No./1452/188/10, Dated. 10.06.2010, Addressed to, The Chairman, The Indian Banks' Association, World Trade Centre Complex, Centre 1, 6th Floor, Cuffe Parade, MUMBAI - 400 005.

Dear Sir,

The Charter of Demands submitted by us in connection with the 9th Bipartite Settlement in the Banking Industry includes the demand for introduction of 5 day Week in the Banking Industry, an issue which is as old as that of the 2nd option on Pension. However, in view of paucity of time, the representatives of the Indian Banks' Association could not devote much time for examining this crucial issue and take a positive decision along with signing of the 9th Bipartite Settlement.

2. The Executive Committee of the Confederation which met recently in Chennai, had an occasion to deliberate on the issue at length. The members were of the unanimous view that in the light of the revolutionary changes that have taken place as regards the technology initiative such as telebanking, internet banking, core banking, any time banking, anywhere banking etc. and also the banking expansion through a large ATM net work, there is a strong case for immediate consideration of the demand of the Confederation for introduction of 5 day week by the Indian Banks' Association. There are several strong grounds, apart from the infrastructure now created by the Banking Industry which will not cause any harm to the customers in case 5 day week is introduced in the Banking

Industry. The first and foremost reason is, the country will be saving a lot of natural resources by way of reduction in the use of fuel by lakhs of employees working in the Banking Industry, since they depend upon their own personal vehicles to attend office. This will also reduce global warming to an extent. Further, 5 day week will provide good health to our officers who are toiling without any rest almost 14 to 16 hours a day on account of increasing workload and business growth. The reduction of 2 hours of business on Saturday does not affect customers as almost all Banks have increased business hours by two hours per day from Monday to Friday.

3. At present all Central government establishments, RBI, Forex Department, Parliament, State Assemblies, Treasury, IT/BT industries and Western Countries observe 5 day week. Majority of State government offices remain closed on Second Saturday of the month. Therefore Banking Industry switching over to 5 day week will not make much difference.

4. We therefore request you to kindly look into our demand with a positive outlook and consider the introduction of 5 day week as it will go a long way in further strengthening our Banking Industry and delivering better results to the people of the country.

5. Please treat the matter as urgent.

Yours faithfully,
Sd/-

(G.D.NADAF)
GENERAL SECRETARY

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

SILVER JUBILEE CELEBRATIONS

We are advised by the Delhi State Unit that in view of the XIX Commonwealth Games to be held at Delhi from 3rd to 14th October, 2010, to postpone Valedictory function of the Silver Jubilee Celebrations. It is very difficult to get suitable accommodation for stay and venue for meetings of affiliates during that period. It is expected that strict security measures may also be imposed by the Government during the period. Hence, it is

proposed to postpone all the activities slated for 5th and 6th October, 2010 to 22nd and 23rd October, 2010 respectively, at Delhi. We shall advise the venue for National Seminar on 22nd October, 2010; Special Executive Committee meeting and Valedictory function to be held on 23rd October, 2010 later. Affiliates may hold their special Executive Committee/Central Committee meeting on 22nd October, 2010. n

NATION WIDE 3 DAYS STRIKE BY UNITED FORUM OF BANK OF RAJASTHAN UNIONS

Almost more than a month, the employees and officers of the Bank of Rajasthan Ltd., are on sustained agitation opposing merger of their Bank into foreign owned ICICI Bank. Massive Demonstrations were held before the Branches and offices of Bank of Rajasthan today by employees and officers under the banner of United Forum of Bank of Rajasthan Unions, and successfully commenced their nation wide 3 days strike on 21st, 22nd and 23rd June, 2010. Despite observing two days continuous strike on 4th and 5th June, 2010. Bank has continued its efforts to obtain the mandate from share holders and arranged an extraordinary General Meeting on 21st June, 2010 with an agenda of merger of the Bank of Rajasthan Ltd.,

Calcutta restrained the Bank from holding extra ordinary General Meeting on 21.06.2010 vide its order dated 21st June, 2010 in T.S.No.2195/2010, filed by comrade Satya Brata Das Vs Bank of Rajasthan Ltd. Although the said court order is an important achievement, we cannot rest complacent and have to continue our struggle against the ill advised move of the Bank.

3. AIBOC has extended fraternal support to all the agitation programmes of the UFBRU. We congratulate and compliment the members for 100% participation in Demonstrations, Dharna and strike actions. While we thank all our affiliates for their solid support to the UFBRU, We request them to continue the same till the issue is taken to a logical end.n

2. We are very happy to inform that City Civil Court of

GENERAL BODY CONFERENCE AND MERITORIOUS CHILDREN AWARD PROGRAMME OF CENTRAL BANK OFFICERS' ASSOCIATION, NAGPUR UNIT

Central Bank Officers' Association, Nagpur Unit had organised their Triennial General Body Conference and CBOA meritorious Children Award distribution programme on 30th May 2010, at Nagpur. The programme commenced with Eswara Vandana by Mrs. Usha Ranade and welcome address by Com.D.S.Lahane, General Secretary of CBOA, Nagpur. The programme was inaugurated by Shri. Y.K.Shukla, Zonal Manager, Central Bank of India, Nagpur. In his inaugural speech he complimented the staff for achieving the targets and Bank crossing the Rupees thousand crores profit for the year. The

meritorious students of wards of Central Bank Officers of Xth and XIth standard, were felicitated by cash awards. On behalf of awardees, Master Abhishek Mate, thanked CBOA for the encouragement.

2. Com.G.D.Nadaf, General Secretary, AIBOC, in his keynote address vividly covered the developments in regards to 9th Bipartite Salary Revision and 2nd Option on Pension. The speech has clarified number of doubts in the minds of membership on the historic achievement of the Confederation.

DUTY FIRST, RIGHT NEXT

3. Com.D.S.Lahane, founder General Secretary of CBOA, Nagpur Unit was felicitated for his sincere services to the Association on the occasion of his lying down the office on account of superannuation from 01.06.2010. S/Shri. Ashok Kansal, S.B.Rode, Y.S.Kumar, K.K.Sengupta, General Secretaries of CBOA, Rajasthan, Pune, Mumbai and Kolkatta Units, respectively, spoke on the occasion. Com.D.S.Bhadauria, General Secretary of AICBOF and Com.R.C.Agarwal former General Secretary of AICBOF

addressed the gathering. Com.D.S.Lahane responded to his felicitations. The meeting was presided over by Com.PK.Muley, President. The Inaugural Session of Conference concluded with vote of thanks.

4. It was well attended and systematically organised conference. "Common Bond" compliments the leadership of the CBOA, Nagpur Unit for the success of the Conference. We also wish Com.Lahane, a happy, healthy, contented and active retired life.

GENERAL BODY CONFERENCE OF CENTRAL BANK OFFICERS' ASSOCIATION (MUMBAI UNIT)

The General Body Conference of Central Bank Officers' Association (Mumbai Unit) was held on 5th June 2010 at Mumbai in a grand manner. The Shahir Amar Shaikh Auditorium was jam packed with the presence of delegates, observers, invitees, members and retired officers. The programme commenced with invocation by Com. Jeevan Shetty and welcome speech by Com. Manoj Wadnerkar, Deputy General Secretary, CBOA.

2. Com. Y.S. Kumar, General Secretary of the Association, delivered introductory speech. Shri. Ramanath Pradeep, Executive Director of Central Bank of India, after lighting the lamp, delivered inaugural address. He shared the success of the Bank with the staff on crossing thousand crores mark in profit and having opened 34 lac no frill accounts across the country. He expressed his concern on frauds and advised the staff to exercise care. There is a need to increase customer base of the bank through attracting youth to bank with Central Bank of India. He was hopeful of covering all branches under CBS by the year end.

3. S/Shri. R.C. Agarwal former General Secretary of AICBOF, N.K. Pareek President of AICBOF, D.S. Lahane former General Secretary of Nagpur Unit spoke on the occasion. Com. D.S. Bhadauria, General Secretary AICBOF delivered keynotes address. Former retired office bearers were felicitated on the occasion.

4. Com. G.D. Nadaf General Secretary AIBOC was

the Chief Guest. In his address he briefed on the efforts put in by the Confederation in securing 2nd option on pension and salary revision. He complimented the membership of Central Bank for coming out successfully from the attack of the earlier management on trade union activities. He thanked the present management for encouraging involvement of staff in development of the Bank through staff suggestions and restoring fringe benefits withdrawn unilaterally by the previous management. He requested the Executive Director to encourage genuine feed back from the grass root level membership. He was hopeful that during the Centenary Year of the Bank, AICBOF will achieve 100% membership by bringing all the officers in the Bank into its fold.

5. Smt. Mala Narayanan, Vice President of CBOA presided over the function. Com. Anil Thakur, Treasurer proposed vote of thanks. It was a well attended and efficiently organised conference of the CBOA, Mumbai unit, which is having maximum number of members amongst other units of CBOA.

6. The leadership of CBOA, Mumbai unit deserves all appreciation for the success of the conference. "Common Bond" congratulates them for this splendid show and wish them success in all their future endeavors.

LET NOBLE THOUGHTS COME TO US FROM EVERYWHERE

BANKS ALL SET TO GO ON HIRING SPREE

The public sector banks (PSBs) are likely to hire about 80-100 people for various roles every day on an average in the next financial year.

This means that about 40,000- 50,000 vacancies of officers and clerks may be filled up, according to sources. This number roughly corresponds to nearly 40,000 new jobs created in banks during the current fiscal year.

Branch expansion and replacement of retired staff are driving the hiring by PSBs, say experts.

“According to my expectation, the minimum recruitment to happen this year could be 40,000 upwards. I feel that a similar recruitment trend will continue for the next two/three years,” Mr. S.A. Bhat, Chairman and Managing Director, Indian Overseas Bank said.

State Bank of India which has been aggressive in hiring for the last two years, is again going to be the bulk recruiter.

“We have already notified 4,500 vacancies of probationary officers. In addition, over 25,000 clerks will be recruited soon as per Mr. O.P. Bhatt Chairman of the Bank.

Last year, SBI had hired over 27,000 officers and clerks. “The overseas expansion plans too will add vacancies

back home though seniors are generally preferred to be sent abroad,” according to the bank.

Many small and mid- sized banks, including State Bank of Hyderabad and Andhra Bank are currently in the process of finalizing the vacancies.

In addition to the normal roles of officers and clerks the openings in the industry would be more diversified into various specialist officers and technocrats, according to Mr. R.S. Reddy, Chairman and Managing Director, Andhra Bank.

A senior official of Bank of Baroda said the massive branch expansion plan (300 new branches), among others, would result in strong manpower needs. “This fiscal, we have almost added 3,000 staffers which may be a little higher in the next financial year,” he said.

A senior functionary of Indian Institute of Banking and Finance, Mumbai, said a ‘rural shift’ could be expected in the bank jobs.

“Already agricultural officers and rural probationary officers are specially being recruited. A new beginning would be the hiring of business correspondents in rural areas which would reduce rural unemployment,” he pointed out. At present, the number of bank employees in the country is over 7.25 lakh.n

INDIAN FINANCIAL SYSTEM IN THE LIGHT OF EUROPEAN MELT DOWN

People world over were, looking with concern the fall of Lehman Brothers Holding Inc. America’s fourth largest investment bank, followed by many other financial institutions. In the year 2009 alone more than 120 finance companies have collapsed in US. In spite of the corrective measures taken by the administration the meltdown continued, sending shock waves across the world. America with their vast control and authority over the World Bank and IMF, most of the European and other third world countries were compelled to follow their policies. Consequently the weakness of the American financial system had its impact over the European economy. The meltdown has exposed the weaknesses and

internal contradictions of capitalism being followed by US, with greed for profit. The crisis has not only affected European market but also Greece, being the latest victim. China one of the world’s fastest growing economies also is not immune to the crisis. The euro has plunged against the renminbe Yuan, the Chinese currency threatening the Chinese exporters. The Chinese government has been trying to cool down the over heated property market and curbing the bank lending. Greeks have been under market scrutiny for many months, with their bond spread, creating a huge debt unable to service. They have been seeking support from European Union for bailout who has agreed for a \$ 140 billion support

KNOWLEDGE IS POWER

subject to various monetary controls, including cut in expenditure. Greece is also required to take tough medicine to get the fiscal system in order, such as cutting of salary and pension, increasing the retirement age etc.

In reality the European nations have not fully recovered from the aftermath of US meltdown. Those European nations bailing out Greece, not only have similar budget problems but also lack political will to have a financial discipline. They lived beyond their means, and finance their deficit out of the external borrowing which they are unable to repay. Lack of proper budgetary control; have led every government around the world to borrow from the new lenders to pay off the expiring debt unable to come out from the clutches of the debt market. The history of the debt crisis suggests that any bail out is just the end of the first crisis only to follow another crisis. The lenders are apprehensive about the quality of the Government bond, with the debt papers like Greece, Burj Dubai etc.

The financial meltdown world over had resulted in substantial job losses in most of the countries including India. In order to control its growing unemployment problem, US administration is trying to put restriction over issue of employment Visa. In a reversal of their earlier policy, Obama administration has now taken the stand that only with government support, the spiralling and reacting crisis can be reversed. The other area effected by the crisis in India was the I T sector, being outsourced by American and European, companies resulted in downsizing the employees and cut in their wages. With the outflow of capital from the country when the crisis started, the development support came down a little. However the Greek meltdown did not affect our export market as our total export to Greece, Spain and Portugal was only to an extent of 4% of the total export, according to source.

The cloud over the industry in India due to global meltdown is slowly getting cleared and a ray of hope had started showing over the country. But the recovery in general must be a slow process as many countries depend upon US and European countries as export market. In India the economy was sustained through our monetary policy and support given by our banking system. The efficiency of our banking system was

tested during the US crisis and they came out unhurt. The global financial crisis made no impact on Indian banking system and no bank in India collapsed due to the crisis. Unlike in US and European banking, our system is under close scrutiny of the regulator. According to economists, Indian economy and markets are quite safe and not likely to be impacted hard by the sovereign debt crisis of Euro zone. 'India is almost insulated from the euro crisis' Says Sri. C. Rangarajan Chairman of Prime Minister's Economic Advisory Council, while expressing confidence in the resilience of Indian economy. The same view was expressed by Dr. Joseph Stiglitz the economist and Nobel laureate. India predominantly funds its deficit through domestic source, unlike external borrowings resorted by European nations.

Our banking system is being monitored under a number of parameters meticulously, maintaining Basel II norms with specific reference to capital adequacy ratio and other regulatory norms. Indian Banking Industry has grown in size and is with its strong fundamentals, confidence, trust and adaptability. There are multiple regulations in India, to control the banking industry through its various enactments such as Banking Regulations Act, Reserve Bank of India Act, Negotiable Instruments Act. etc.

Nationalisation of Banks in India was a unique achievement of a political system of post independent India with its various social objectives of achieving economic equality and financial growth. In order to stabilize and strengthening the banking system various economic reforms were carried out. Government also provided Rs. 16500 crores to various public sector banks in the current budget, to improve the Tier -I capital of certain Public Sector banks to stabilise the system. Globalisation at the behest of IMF and World Bank had its ill effects on various nations, who are forced to deviate from the national economic policy, based on their local tradition due to authoritarian attitude being shown by the bigger nations. In India we are wedded to a socialistic pattern of economy under a democratic rule. Democracy is compatible with national sovereignty only if we restrict globalization, as globalisation while retaining our national identity will only jettison our democracy. In fact wrong doing of the developed nations had its impact over the economy of the developing nations like India.n

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

REIMBURSEMENT OF MEDICAL EXPENSES TO RETIRED EMPLOYEES OF BANKING INDUSTRY
C W P NO 6744/2007 DELHI HIGH COURT
IN THE MATTER OF J.K. SAWHNEY VS. PUNJAB NATIONAL BANK

Com. J.K. Sawhney who retired as Special Assistant from Punjab National Bank, Filed a writ petition before Delhi High Court claiming reimbursement of his heart operation expenses of Rs. 3,14,487/- from PNB as pensioner of the said bank.

Shri Sawhney filed above Writ Petition on 2.04.2007 for reimbursement of medical expenses on the grounds that it is his fundamental right that State /Employer must reimburse medical expenses to an employee after retirement quoting Hon'ble Supreme Court Judgment that a right to life is to be given vital meaning which include better standard of living and to a meaningful extent. There cannot be dispute with the said preposition that the right to health is an integral part of the meaningful right to life and any denial of the same would be in stack violation of fundamental rights of the citizens as guaranteed to them under Article 21 of the Constitution of India.

Hon'ble High Court rejected the Writ Petition only on the ground that the bank employees are not civil servants and further there is no provision in the Bipartite Settlement in this regard. However, the Hon'ble High Court has made the following observations in its judgment

(a) I do not find myself in agreement with the counsel for the petitioner that there cannot be any provision under the bipartite settlement to deal with the grant of medical

reimbursement and other benefits post retirement of the bank employees. Thus, the question to be addressed by the trade unions and the management of the various banks is:-

“Why, so far and on what grounds, no provision has been made to grant medical reimbursement to the retired employees of the Banking industry.

(b) Undoubtedly, at the same time, it is a sacred obligation on any employer in the Welfare State to adequately take care of the medical facilities of its employees. It is a Constitutional obligation of the State under Article 21 of the Constitution of India to safeguard the right to life of every person and such right to life is a right to lead healthy life and not a life of mere animal existence. Grant of medical facilities therefore is a fundamental human right to protect one's health and such facilities should not be denied by the government to a government servant after retirement. So far as the banking industry is considered, a duty is cast upon them as well to take care of the medical facilities of their employees even after their retirement. Hence, it will be for the Bank employees and the Management of the Banks to sit together and decide as to how best such medical facilities can be extended to the retired employees.”¹

WHETHER INDIAN POLITICAL LEAGUE (IPL)
MAKES MOCKERY OF DEMOCRACY

When the country was liberated from the clutches of British rule, it was the aspiration of our great freedom fighters, that fruits of hard earned freedom should reach every Indian, and that no tear should roll out over his cheek on account of hunger.

A parliamentary democracy was established after independence with people's representatives to take care of the plight of the common man with the object of creating a socialistic pattern of society. Our country saw many Five Year Plans and general elections. While

India became the largest democracy in the world, there are certain countries still struggling to maintain a democratic rule. We have seen bouts of political turbulence and civil unrest in our country that did not jeopardise our Constitution. The Constitution remained intact while judiciary stayed independent, military remained neutral and Civil liberties preserved.

Most unfortunately even after six decades of independence millions of our country men are still languishing in poverty, struggling to eke out a living

SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS

for a single wholesome meal a day, when we are taking credit of having many industrialists among billionaires in the world. Even when we claim to have achieved economic prosperity by containing inflation, more than one million people have gone into the category of the starved people. In the International index of poverty i.e., lack of food with nutritional value, child mortality etc, India stands at 94th position among 118 countries in the world. As per national health survey conducted during the year 2002 about 74% of the children were categorised as unhealthy due to non-availability of healthy food. It is also reported that 77% of the population is surviving on less than Rs. 20/- per day.

Social Security - Our constitution guarantees protection to life and property for its citizen, right of freedom and expression, right to food, right to education, among various other rights with enactments to protect these rights. In spite of these guarantees, people are facing torture, dying of hunger, falling sick taking unhealthy food, breathing polluted gas, drinking contaminated water and undergoing various other social insecurities. Rampant corruption has made authorities to close their eyes against all these atrocities, violation of law that often goes unpunished. **Corruption, Poverty – Social inequality**, atrocities shown against women and other oppressed class especially the tribal people by the upper cast land lords for ages led to a movement of revolt against them and the state, by certain outfits such as Maoists or Naxals, who have started a class struggle taking law into their hands, in various parts of the country, affecting the internal security.

Education: In spite of various schemes introduced by the Govt. to improve the literacy level, literacy is yet to improve. The percentage is varying from state to state. Low literacy level finds a safe heaven for the politicians with more followers who are ignorant of their rights. Through the Right of Children to Free and Compulsory Education Act 2009 Government has created a frame work for legal entitlement for all children in the age group of 6 to 14 years to education of good quality. But the dropout due to the social insecurity and financial instability is still worrying the Government. The progress of the country is always linked to the progress of education to its children who are going to be the future leaders of the country.

Politics: Political Science has become a mere business of politics in India, carrying enormous power and money. Honesty and integrity was the hall mark of a politician in the post independent India, following the principles of truth and non violence. This attitude has now totally changed. Many political parties with different ideologies have now mushroomed in various parts of the country, posing danger to the very fabric of the Constitution and unity of the country, affecting the stability of the Government. Leaders of the regional parties are now even trying to disintegrate the nation advocating for smaller states, consisting of areas where they are thriving.

Indian Political League (IPL) is a marriage of convenience formed as a tool for bargaining with the government, ready to divorce any time. When the national alliance is a conglomeration of parties of different ideologies often tend to differ forgetting their responsibility to the nation. This political alliance has led to a situation where each party has to oblige the other including saving of corrupt leaders. Consequently the Government is unable to implement many welfare schemes.

In a talent starved, political establishment we can see pseudo politicians serving against public interest. Often the representatives of the people are enjoying their office, forgetting the welfare of their constituencies, only to show their face at the next election. Government seems to have become coated with an odd combination of complacency and fatalism. Already Election Commission has fixed Rs. 2.5 lakhs for a candidate for Loksabha elections, whereas no candidate is confident of winning an election with this paltry amount as they have already corrupted the voters of their constituencies. As such corruption has become a professional necessity to generate more income. Even if the Government bears the expenditure on election as recommended by the Election Commission, still the present system will continue to operate.

As per the guidelines issued by the Election Commission the candidates are required to disclose their assets while filing their nominations. Survey reveals that asset graph of the MPs is going up compared to the previous election. The purpose of the declaration is to scrutinize, whether the assets are

ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED

disproportionate to the known source of income. Whether any scrutiny was done and action has been taken against the erring representatives? It may be remembered that 'Cash for Vote' scam had already marred the previous Lok Sabha. It is reported that the number of Crorepatis in the present Lok Sabha is up by 98 percent as compared to the 2004 Lok Sabha, when it had only 154 MPs as against 306 crorepatis at present. Similar is the case in the Rajya Sabha. The reality is that higher they climb the ladder of lucre, better the chance to acquire further. In order to eradicate corruption in Public life, Govt. is seeking political consensus to bring about a comprehensive bill on electoral reforms that include, barring criminal from contesting election, fixation of Ceiling on expenditure and other reforms as recommended by the Election Commission to cleanse the system. We have seen rags to riches stories in Public life, and extravagant lifestyle being displayed by the people under the very nose of enforcement authorities who look like mere spectators. One can see bureaucrats or authorities caught red handed by the Lokayukta a constitutional authority, are walking away unpunished exposing the weaknesses in the system. Society is being spoiled and taken over by these corrupt officials and politicians, as in the case of Gresham's Law on money in circulation. According to the theory bad money tends to drive away good money out of circulation.

When authorities are reluctant to take appropriate action against the culprits people are only losing faith in the administration of justice and efficiency of the system.

Indian Premier League (IPL): The recent incidence of mass irregularities reported in Indian Premier League Cricket extravaganza is a clear example of nexus between the high level authorities against whom people have bestowed confidence and the officials of IPL. Nexus is more exposed when the authorities failed to recover Income Tax for the last two years and exempted the IPL from payment of Entertainment Tax as reported. This concession is shown, when the Ministry of Finance is struggling to bridge the deficit in union budget. It is also reported, the money was taken out of the country

legally and illegally flouting all laws of the country. One could see a vulgar display of money power, when millions of our country men are struggling to eke out their livelihood.

We can see a comedy of error among the officials of IPL, who enjoyed their heydays are now disowning each other. Cricket supposed to be a Royal game and game of gentlemen has stooped to the level of mere entertainment to a selected class of people against Indian culture. Authorities acted blindly till recently until blown out by the Sashi Tharoor – Lalith Modi, episode that opened up the Pandoras' box. Here we can only see personal interests overtaking the national interest. When so much of money is involved in the entire gamut, Government should have brought the game, under a regulatory body.

Commission of Inquiries: Another area of national waste is the appointment of various inquiry commissions, spending crores of rupees of Public exchequer, without a will or support to implement the reports. We have seen that on all national calamities, chaos, terrorism or communal clashes, Commission of enquiries were appointed to unravel the truth behind it. Mostly it was also intended to calm down a possible national upheaval. Very rarely recommendations of the commission were implemented or the accused were convicted or booked for their act of crime. Some of the important enquiry commissions of post independent India are as follows:

1977 – Justice J.C.Shah was appointed to inquire in to the excess committed during emergency.

1984 – Justice Thakkar was appointed to look into the lapses when Indira Gandhi was assassinated

1985 – Justice Ranganath Misra was appointed to probe into anti-Sikh riots after Indira Gandhi was assassinated, by her own body-guards.

1991 – Justice Milap Chand Jain was appointed to inquire into the events that led to the assassination of Rajiv Gandhi former Prime Minister of India

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1992 – Justice M.S.Liberhan was appointed to probe into the demolition of Babri Masjid.

1993 – Justice Srikrishna was appointed to probe into Mumbai riot, consequent upon demolition of Babri Masjid.

2001 – Justice Shailendra Nath Pukan was appointed to probe into scam involving the then Defence Minister Shri.George Fernandes and the then BJP President, Bangaru Lakshman.

2004 – Justice U.C.Banerjee was appointed to probe into the burning of Sabarmati express in Gujarat.

2008 – Justice Nanavati was appointed to inquire into Gujarat riots Godhra carnage and encounter killings.

Other than spending crores of rupees on these commissions no action was taken against the perpetrators of the crime due to lack of will or support to the Government especially when the Government is at the mercy of a number of political parties with different ideologies. According to some eminent lawyers it is ritualistic for the Government to constitute enquiry commissions after every violent incident to take on the opposition. The end result has not been worth the expenditure as it has been reduced to a farce and a joke.

The impression that goes around a commission of inquiry is that when you do not want to act or want to postpone action, appoint a commission of inquiry. This is a game played on the Public memory which is very short.

In the opinion of Justice R.C.Lahoti, former Chief Justice of Supreme Court no judge should accept the responsibility of heading a commission of inquiry unless it is guaranteed that their recommendations and findings will be implemented. According to Prof. Tahir Mehmood member of Law Commission, Commission of Inquiry Act 1952 is just a decorative law that requires drastic over hauling.

An enlightened Government is beset by a crude political class, a malignant bureaucracy and a pre-modern citizenry, controlled by a few influential politicians. When the criminals or fraudsters are being protected by their god fathers, the rule of law cannot prevail in a democracy. Liberty in a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. It is nothing but fascism of ownership of the Government by an individual or groups of individuals. We need to fight to retain our hard earned freedom, and the democracy from the clutches of vested interests. n

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Printed, Edited & Published by Shri G.D. Nadaf on behalf of AIBOC. Printed at L.V. Graphic, Bangalore. (23321456