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2ND OPTION ON PENSION DIFFICULTIES IN IMPLEMENTATION

We could overcome the first hurdle, which came up at the time of implementation of the 2nd option on Pension settlement in the form of litigation, due to effective follow-up with IBA and also timely intervention of the higher level judiciary by vacating the stay granted by the single bench of High Court of Judicature, Madras. The IBA acted quickly and advised all the member banks to take necessary steps for its implementation. The waiting was a frustrating experience to our members, in particular the retirees and the family members of the deceased employees in the banking industry. The uncertainty has since been removed and all those who are now eligible for the Pension Benefits can now avail the opportunity and enroll themselves as members of the scheme.

Proper guidance to the retirees who are eligible for regular pension and tracing of the family pensioners and guiding them in the right direction will be the responsibility of the affiliates and the Pensioners' Associations all over the country. The task is a stupendous one. The Confederation has already issued appropriate communication to all the members and the affiliates as well. There are certain grey areas which need to

be looked into afresh. A follow-up meeting is necessary with IBA in this regard to ensure that the full benefit of the 2nd option on Pension reaches each and every eligible retiree in course of time. Our members are aware that we had already sent a number of communications to IBA pointing out such situations and requesting them to set right the uncertainties in the matter.

The Confederation is also planning to hold workshop for the benefit of our leaders in the various affiliates, providing them all the important materials and guidelines in order to help all their members to avail the benefit of the 2nd Option within the time limit prescribed by the respective banks through necessary circular instructions/notifications so that the members and retirees could submit their option forms etc., in time.

Comrades, the Confederation is receiving a number of representations about the difficulties being experienced by the retirees in availing the 2nd option on Pension. It is the endeavor of the organization to take up all those issues with IBA in an exclusive meeting and find solutions to some of those burning issues in due course. **n**

VANDE MATHARAM

COM.K.S.SHETTY, LAID DOWN HIS OFFICE AS PRESIDENT OF AIBOC WARM FELICITATION AND FAREWELL ON HIS RETIREMENT

It was a moment of high emotions and sentiments to all the members of the Executive Committee of AIBOC on the evening of 30th July 2010 at Mumbai, while they were immersed with the day's deliberations and were preparing for the proceedings on the 31st July 2010 as well. It was the day on which the Executive Committee decided to bid farewell to our beloved President who was to lay down the Office on his retirement on superannuation from the Bank. Com.G.D.Nadaf, the General Secretary of the Confederation proposed to place the valuable services rendered by Com.K.S.Shetty, the outgoing President of the Confederation on his retirement from the services of the Bank. It was greeted by the members of the Committee with thunderous applause. The General Secretary speaking on the occasion apart from an exhaustive coverage in his report to the Executive Committee about the long standing contributions and services of Com.K.S.Shetty, one of the senior members of the Executive Committee who led the Bank Officers' movement in Syndicate Bank during the most turbulent period and was responsible for several successes in the organisation in bringing lot of benefits to their members. He was also one of the senior members of the Executive Committee and in recognition of his valuable services to the Confederation he was the right choice for the President's post when it fell vacant on 31.05.2009 on account of the retirement of Com.V.Eswaran.

2. The members of the Executive Committee paid rich tributes to the great contributions made by Com.K.S.Shetty for the Bank Officers' movement and also the Confederation over the last several years in the Executive Committee. His deliberations were of a great benefit to the leadership of the Confederation

and on several occasions he was able to guide the organisation in the right direction.

3. The Executive Committee warmly felicitated him and presented him a, Shawl, flower bouquet and memento as well as a letter of appreciation for his valuable services to the Bank Officers' movement during the last 35 years. The Executive Committee also adopted a resolution to place his valuable services on record and wished him and his family members a happy, prosperous and long life on his retirement from the post of the President.

4. Com.K.S.Shetty, outgoing President in his response to the felicitations paid his gratitude and vividly recollected several instances which had inspired him to join the Bank Officers' movement and to make his valuable contributions under the banner of the Confederation. He desired that the Confederation should carry forward its struggle not only in defending the Banking Industry but to ensure that the common man is protected from the exploitation of the capitalists as part of our trade union activities.

5. Com.K.S.Shetty, was a popular leader amongst the members of the Executive Committee. His absence as front line leader of the Confederation is bound to create a big vacuum which needs to be taken care by those who are expected to carry forward the movement in the days to come.

6. "Common Bond" takes this opportunity to convey Com.K.S.Shetty a happy, healthy, contented and active retired life, and also wish his better half and daughter all the best.

COM. P.K.SARKAR CO-OPTED AS PRESIDENT OF CONFEDERATION

The Executive Committee of the All India Bank Officers' Confederation which met at Mumbai on 30th and 31st July 2010 has unanimously co-opted Com.P.K.Sarkar, as the President of the Confederation for the remaining triennial period of 2008-2011 in the vacancy caused by the retirement of Com.K.S.Shetty, the President who

had laid down his office of the President on 31st July 2010 on his superannuation from the Bank.

2. Com.P.K.Sarkar, is one of the senior leaders of the Confederation and was holding the position of Vice President in the Confederation. He is also the General Secretary of the All India Union Bank

WORK IS WORSHIP, DO YOUR DUTY

Officers' Federation for the last several years. He was also the Negotiating Committee member of the Confederation and was one of the signatory to the 9th Bipartite Settlement a historic event in the recent past. We are confident that through his rich experience and various positions he has held both in his Association as well as the Confederation for the last 2 decades, he would be a valuable asset to the Confederation. The Confederation under his able guidance and direction is expected to poise new heights and

achieve further consolidation of the Bank Officers' movement in the days to come. Immediately on his co-option, several senior leaders of the Confederation congratulated him and expressed their hopes that under his dynamic leadership the Confederation would be able to take care of the aspirations and hopes of the entire bank officers' fraternity under the banner of the Confederation.

3. "**Common Bond**" congratulates Com. P.K. Sarkar and wish him all success in his new assignment.n

COM. N.RAJA GOPAL REDDY NOMINATED AS OFFICER - DIRECTOR ON THE BOARD OF ANDHRA BANK

Com. N.Raja Gopal Reddy, President of All India Andhra Bank Officers' Federation, has been nominated as Officer-Director on the Board of Andhra Bank from 4th August 2010, the date of notification, for a period of three years.

"Common Bond" congratulates Com. N.Raja Gopal Reddy on his induction into the Board of Andhra Bank and wish him all the best in his new assignment.n

M R. SHYAM SRINIVASAN IS THE NEW CEO OF FEDERAL BANK

Mr. Shyam Srinivasan is the new Managing Director and CEO of Federal Bank in place of Mr. M. Venugopalan who has since retired.

"Common Bond" congratulates Mr. Shyam Srinivasan for having been appointed as CEO and wish him all success in carrying out his assignments in future.n

2ND OPTION ON PENSION IMPLEMENTED LEGAL HURDLES WARDED OFF MEMBERS REJOICE THE SUCCESS OF THE CONFEDERATION ALL OVER

Kudos to our members across the country for their patience and perseverance. They did not lose their cool and were at the beck and call of the Confederation for any action at short notice. The agreement which was signed by the Confederation in regard to the 2nd option on Pension was challenged by some mischievous elements in the rival unions thereby creating unnecessary hurdles in the implementation of the agreement on 2nd option on Pension. The 2nd option on Pension and the salary revision agreements were signed simultaneously. We had advised the members in detail as to the various aspects of the 2nd option on Pension and the various provisions of the agreement to provide them necessary guidance for taking a positive decision in this regard. The salary revision was implemented whereas the details sent to the Government in regard to the 2nd option got struck due to the stay granted by the Madras High court on a writ petition filed by some of the disgruntled elements in the

banks. We sought the immediate intervention of the IBA since people are getting upset about this unwanted delay and IBA could effectively intervene and get the stay vacated.

2. Hence, the 2nd option is now offered to the members who are eligible for the Pension Scheme as well as the retirees from the banks with immediate effect. A detailed communication has since been issued by the IBA. The salient features of the instructions issued by the IBA are as follows:- (*Gist of IBA Circular No.CIR/HR&IR/G2/665/90/2010-11/999 dated 10.08.2010*)

a. To facilitate early implementation, Government has consented IBA advising all banks that they may undertake the exercise for seeking the option from the employees both serving and retirees who did not opt for pension earlier, explaining the terms and condition for such option.

SELF HELP IS BEST HELP

- b. Sanction of the Government is also accorded to implement the terms of Settlement/Joint Note dated 27th April 2010 between IBA and Unions/Associations for the grant of option to the retirees and payment of pension to such retirees w.e.f 27th November 2009, who opt for pension and comply with terms and conditions set out in the Settlement/Joint Note for the grant of pension, pending necessary amendments in the Bank (Employees') Pension Regulations, 1995.
- c. The existing pension scheme will not be applicable to those, who join the services of banks on or after 1st April 2010. Officers/workmen employees, joining services of banks on or after 1st April 2010 shall be eligible for Defined Contributory Pension Scheme on the lines of New Pension Scheme introduced for employees of Central Government. The Officer/Workmen employees joining service on or after 1st April 2010 shall contribute 10% of Pay and DA towards the Defined Contributory Pension Scheme.
- d. Officer/Workmen employees, who opted for Voluntary Retirement under special Voluntary Scheme after rendering a minimum of 15 years, service, shall be eligible to exercise option to join the Pension Scheme subject to terms and conditions applicable to retirees.
- e. Pension/Family Pension will be payable to those, who opt to join pension scheme and comply with terms and conditions set out in the Settlement/Joint Note dated 27.4.2010.
- f. The cost of another option of pension for the serving employees and the grant of option to the retirees assessed by the Actuaries, based on the estimates of each Bank, will be closely supervised by the Monitoring Committee. The Banks which exceed the cost than the Actuarial report would need to explain to the Government.
- g. The monitoring in this regard may be carried out every quarter at the Board level.
- h. We are enclosing a draft of the Option letters to be obtained from serving employees and retirees for guidance. You are requested to take immediate steps to circulate the terms and condition on which another option is granted to non-optees as contained in the enclosed Settlements/Joint Note among the staff members, with the approval of the Bank's Board,
- i. You are also requested to advise those who retired from service on or after 29th September 1995/26th March 1996 in the last known address, the following information as available in the Bank's records:
- i. The amount of Bank's contribution to Provident Fund with interest paid to him at the time of retirement.
- ii. 56% of the above amount representing his share in the funding gap.
- iii. The lumpsum amount he may get if he exercises his option to join the Pension Scheme and choose to commute the maximum permissible pension (1/3rd of Basic Pension) based on the commutation value on his next date of birth from the date of option.
- j. IBA is arranging to publish an advertisement in English in a National daily and other newspapers in Regional Languages advising the retirees to approach the banks in this regard.
- k. Banks may consider setting off the commutation amount of the optees against the amount due from him for joining the Pension Scheme.

- l. In terms of Memorandum of Settlement dated 27th April 2010, in the case of workmen employees and Joint Note dated 27th April 2010, in the case of Officer employees, those who ceased to be in service on account of retirement on superannuation, death or on account of VRS under special scheme prior to 27th April 2010 but after 29th September 1995 from Nationalised Banks and after 26th March 1996 from Associated Banks of State Bank of India are eligible to opt for joining the pension scheme now as retired employees subject to the terms and conditions stipulated, Those who were in the service of the Banks as on 27th April 2010 will be eligible to join the pension scheme as serving employees subject to the terms and conditions stipulated.
- m. Once the Scheme is implemented and funds received from those who opted to join the Pension Scheme complying with the terms and conditions for such option, please advise us the details in respect of:
- i. Bank's contribution with interest paid to the retirees at the time of retirement refunded by them
 - ii. 56% of the above remitted by them towards their share of funding gap.
 - iii. Bank contribution towards Provident Fund and interest accrued thereon transferred to the pension in respect of serving employees who opt to join the pension scheme now.
 - iv. 2.8 times of revised pay for November 2007 contributed by serving employees who opted to join the pension scheme now.
- n. You may kindly approach us for any clarification in respect of implementation of the Settlement/Joint Note in extending another option to join the Pension Scheme to employees/retirees as above."
3. With this development the long pending demand of the Confederation gets resolved due to its persistent struggle and sacrifice of several members over the last several years.
4. The members and retirees who are eligible for the benefit of 2nd option may take advantage of the scheme and see that they exercise the option within the time limit available so that they are able to get the full advantage of the Pension Scheme.n

MINIMUM PENSION / FAMILY PENSION

As a sequel to the revision of Pay scales under the 9th Bipartite settlement, the Family Pension and Minimum Pension payable have been

TEXT OF IBA CIRCULAR NO.CIR/HR & IR/ G2 / 90 / 665 / 2010-11/ 714 DT. JULY 2, 2010

Dear Sirs,

Revision in Pension of employees who retired on or after 1.11.07 consequent upon the wage revision as per 9th Bipartite Settlement and Joint Note dated 27.4.2010

Please refer to our letters No.CIR/HR&IR/76/90/665/2010-11/269 dated 08.05.10 and No.CIR/HR&IR/G2/665/90/2010-11/626 dated 18.6.10 with regard to wage revision to Award Staff/Officers respectively

revised. We reproduce herein the text of IBA Circular No.714 dated 02.07.2010 in this regard, which is self-explicit.

in terms of Bipartite Settlement/Joint Note dated 27.4.10.

Consequent upon the above wage revision, the pension, dearness relief, family pension, minimum pension, etc., payable in respect of those employees who ceased to be in service on or after 01.11.07 and are eligible for pension need to be revised. We give below for your guidance, the details in this regard. Pending amendments to Pension Regulations, Banks may effect the revision.

SUCCESS COMES ONLY TO THOSE, WHO DARE AND ACT

(I) PENSION:

The basic pension will be revised on the basis of the revised pay w.e.f. 01.11.07.

(II) DEARNESS RELIEF:

The dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 2836 points in the monthly average

of All India Consumer price index for Industrial Workers in the series 1960 = 100 at the rate 0.15 per cent of basic pension.

(III) FAMILY PENSION:

In respect of employees (other than part-time employees) who retire /retired from service on or after 01.11.07 the ordinary rate of pension shall be as under:

SCALE OF PAY PER MONTH	AMOUNT OF MONTHLY FAMILY PENSION
Upto Rs.7,090/-	30 per cent of the 'pay' shall be the basic family pension plus 30 percent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs.1,779 per month.
Rs.7,091 to Rs.14,180	20 per cent of the 'pay' shall be the basic family pension plus 20 per cent of allowances which are counted for making contributions to Provident Fund but not for dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs. 2,186 per month.
Above Rs. 14,181	15 per cent of the 'pay' shall be the basic family pension plus 15 per cent of allowances which are counted for making contributions to Provident Fund but not for the dearness allowance shall be the additional family pension. The aggregate of basic and additional family pension shall not be less than Rs.2,841 per month and more than Rs. 5,930 per month

NOTE: In the case of part-time employees, the minimum amount of family pension and the maximum amount of family pension shall be in proportion to the rate of scale wages drawn by the employee.

(IV) MINIMUM PENSION:

In respect of employees other than part-time employees, who retired on or after 01.11.07, the amount of minimum pension shall be Rs. 1,779 p.m.

In respect of part-time employees who retired on or after 1.11.07, the minimum pension payable shall be:

Ø Rs. 595 p.m. in respect of part time employees drawing 1/3 scale wages,

Ø Rs. 892 p.m. in respect of part time employees drawing 1/2 scale wages and

Ø Rs. 1,339 p.m in respect of part time employees drawing 3/4 scale wages.

Pending amendments to Bank Employees' Pension Regulations, 1995, banks may compute pension as above. Before, however, giving effect to the revised pension, a suitable undertaking may be obtained from the pensioners as well as from family members/nominees, to enable the pension fund to make adjustments, if any, at a later date. We are enclosing a draft of the irrevocable letter to be obtained from the pensioners. Member banks may please be guided as above.

NEVER BEND BEFORE THE INSOLENT MIGHT

AIBOC-SILVER JUBILEE CELEBRATIONS
VALEDICTORY FUNCTION AT DELHI

The venues for National Seminar and Valedictory Function of the Silver Jubilee Celebrations of AIBOC are as follows:-

NATIONAL SEMINAR

ON 22ND OCTOBER, 2010 AT 5.30 PM
SRI SATHYA SAI INTERNATIONAL CENTER,
PRAGATI VIHAR, LODHI ROAD,
NEW DELHI 110 003 (Opp. Sai Baba Temple)

SILVER JUBILEE FUNCTION

ON 23RD OCTOBER, 2010 AT 5.00PM
SWARAN JYANTI AUDITORIUM
LADY HARDING HOSPITAL,
CONNAUGHT PLACE,
NEW DELHI -110 001
(Opp. Shivaji Stadium)

UFBU MEETING HELD ON 26.7.2010



A meeting of the UFBU was held in the AIBEA office in Mumbai on 26.7.2010. Com. K.S. Shetty, (President, AIBOC) presided over the meeting.

1. IMPLEMENTATION OF PENSION OPTION SETTLEMENT: The meeting took note that all the Bank Managements have sent their instructions for implementation of 9th Bipartite Settlement / Officers Wage Revision and in most of the banks arrears have already been disbursed to the employees and officers. However, the meeting noted that instructions have not been sent by IBA to the Banks for implementing the Pension Option Settlement. The Pension Option Settlement provides that employees/officers who are in PF will pay 2.8 times of Nov. 2007 Pay from out of the arrears and the bank managements would offer them the option to join the pension scheme. Unions' obligation is that employees will pay the additional contribution and managements' commitment is that pension option would be given. The UFBU pointed out that while employees and officers have fulfilled their commitment with the recovery of the amount from the arrears, the bank managements are yet to honour their commitment to offer the pension option. The meeting also took note of a few Court cases in Allahabad, Delhi and Chennai including an interim stay in High Court of Madras obtained by a Union with handful of members (which is not affiliated to any UFBU constituent) attempting to stall the implementation of the pension option for which employees and officers have been waiting for the past so many years. It was decided that UFBU should ensure the removal of such legal hurdles. It was also decided to take up the matter with the IBA and the Chief Labour Commissioner, Government of India to ensure immediate implementation of the Pension Option Settlement by

extending the offer to existing PF optees as well as to the retirees.

2. CALL OF CENTRAL TRADE UNIONS FOR ALL INDIA STRIKE : The UFBU welcomed the initiative of the Central Trade Unions to build up a united struggle against important issues like alarming increase in prices, job losses, disinvestments in public sector, violation of labour laws and allocation of funds for schemes for unorganised workers. The UFBU conveyed its support to all these demands and appreciated the united strike call. It was decided that each constituent unit will discuss in their respective forum and take a decision for joining the All India Strike on 7th September 2010. AIBEA, BEFI, INBEF and INBOC announced that their unions have already taken a decision to join the strike. Other unions will take their decision in due course of time.

3. KHANDELWAL COMMITTEE RECOMMENDATIONS TO BE OPPOSED: The UFBU took note of the recent report of the Khandelwal Committee on HR issues in Public Sector Banks. The Committee amongst other things has made the following retrograde recommendations:

1. To outsource all non-core jobs
2. Direct Recruitment of Officers upto 50 %
3. Qualification for recruitment: For Clerks : Graduation / For Substaff: 10th Std.
4. Fresh Recruitments to be only in Rural and Semi Urban areas
5. Appointment of exclusive Executive Director(HR)
6. Bankwise wage revision based on capacity to pay, profitability, productivity, etc.
7. Introduction of Variable Pay as a major component of wages

SAVE PUBLIC SECTOR, SAVE INDIA

8. Introduction of cost to company concept.
9. Review of all internal settlements on mobility and transfer of employees
10. HR Professionals to be recruited at senior/junior levels.
11. HR administration to be automated through web-based system

The UFBU decided to outrightly reject these anti-employee, anti-trade union recommendations and further decided that if there is any attempt to implement the same by the Government or the IBA or by any of the Banks, the same would be opposed through organisational programmes including strike actions.

4. COMPASSIONATE APPOINTMENT SCHEME :

In the light of the agitational programme by UFBU, the IBA discussed the issue with the UFBU and a revised scheme for compassionate appointments/financial compensation has been mutually worked out more than an year ago. However, the same is kept pending by the IBA and the Government. The meeting took exception to this inordinate delay and decided to pursue the issue vigorously for immediate implementation of this scheme. The UFBU further decided to undertake agitational programmes if necessary to ensure the implementation of the Scheme.

5. IMPROVEMENT IN HOUSING LOAN, VEHICLE LOAN AND FESTIVAL ADVANCE :

The meeting noted that overlooking the demand of the UFBU to improve the existing uniform Government guidelines on these schemes, some banks have individually revised the Housing Loan scheme in their banks. The meeting decided to demand immediate and uniform revision in the Government guideline for higher quantum of housing loan for the staff with reduced rate of interest, improvement in Staff Vehicle Loan scheme and in

Festival Advance quantum.

6. IMPROVEMENTS IN PENSION SCHEME : The meeting observed that while securing another option to join the Pension Scheme is a significant achievement by the UFBU, further improvements are required to be made in the Pension Scheme having regard to the changes made in the same under the 6th Pay Commission Report. The UFBU decided to take up with the IBA the following issues:

- Ø Periodical updation of Pension alongwith wage revision for serving employees
- Ø DA at 100% neutralization for all Pensioners
- Ø Revising Pension at the common Price Index of 2836 points
- Ø Increase in Ex-gratia payable to Pre-1986 retirees / widows
- Ø Improvement in Family Pension

7. AUTOMATIC COVERAGE UNDER PENSION SCHEME FOR THOSE RECRUITED AFTER 1.11.1993 :

Under the Pension Settlement signed in 1993, employees and officers recruited in the banks from 1.11.1993 are to be automatically covered under the Pension Scheme. Even though the Government and the IBA assured to resolve this issue, the same is still kept pending. Hence, UFBU decided to take up the issue with the IBA/Government.

8. TAKE OVER OF BANK OF RAJASTHAN BY ICICI BANK :

The UFBU expressed its protest against the attempt of the ICICI Bank to fraudulently take over the Bank of Rajasthan and extended its support and solidarity to the agitation by the employees and officers in Bank of Rajasthan.

SALARY REVISION EXTENDED TO OFFICERS IN REGIONAL RURAL BANKS YET ANOTHER FEATHER IN THE CAP OF THE CONFEDERATION THE REVISION IS EFFECTIVE FROM 1.11.2007

Congratulations to the members in the Regional Rural Banks. Confederation could ensure the salary revision almost simultaneously to the members in the Regional Rural Banks. It is just within 3 months of signing the final agreement on the 9th bipartite that the issue of extension of the benefit of the agreement to the comrades in the Regional Rural Bank could be sorted out without much difficulty. Members may recollect that immediately

on the conclusion of the 9th Bipartite Agreement, the leadership of the Confederation took the initiative and kept in touch with the Banking Department, Ministry of Finance, Government of India that there should not be inordinate delay as regards the extension of benefits of the 9th Bipartite Settlement to our members in the Regional Rural Banks. The Confederation also raised the issue in the follow-up meetings with the officials of the Banking

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

Department and also approached the Honourable Minister of Finance seeking his intervention in the matter. Our efforts yielded results at the earliest possible.

2. The consolidation of the RRB Officers under the banner of the Confederation in order to ensure equal pay for equal work is now part of the history. It was our effective deposition before Justice Obal Reddy, the National Industrial Tribunal set up for the examination of the service conditions of the Officers' fraternity in the Regional Rural Banks and to examine the demand of the Confederation for extending the same service conditions to them as available to the officers in the sponsor banks. It was a long journey and ultimately, the Confederation could make effective presentation about the responsibilities of the Field workers and several other categories who were functioning as officers in the supervisory cadre in the commercial banks and get them a fair deal. Since then it is a long journey. We have been successful in consolidation of the Officers in the Regional Rural Banks through the co-operation of all the affiliates of the Confederation as well as the RRB Federation set up exclusively for pursuing the enrolment of the officers.

3. The Ministry of Finance taking cue from the persistent follow-up and initiative by the confederation in mobilizing the opinion for early extension, took steps for the completion of the formalities connected with the clearance of the proposal for implementation. It is also heartening to note that the Honourable Finance Minister himself intervened in the matter and took the opportunity of announcing the extension of these benefits in the Meeting of the Review Conference held on 25.07.2010 at New Delhi, where all the Chairmen of the Regional Rural Banks were present on the occasion. He announced that the major issue of the salary revision as agreed under the 9th Bipartite Settlement between the Confederation and the Indian Banks' Association is now being extended to the Regional Rural Banks as well. We also understand that the Govt. has cleared the Promotion Policy from MMG Scale III and above during the same meeting.

4. The Banking Department was quick in responding to the concern shown by the Finance Minister in response to our appeal for early settlement and issued a detailed notification communicating to all the banks, with necessary instructions for implementation of the 9th Bipartite Settlement. Our members may recall that during the 8th Bipartite it was a long drawn negotiation, between the leadership of the Confederation and the officials of

NABARD before the implementation took place. The NABARD also wanted to bring several conditions for its implementation and it was the leadership of the Confederation which stoutly opposed those initiatives including the payment of arrears in instalments etc.. It is in this background, the Government has issued instructions to all the sponsor Banks to implement the Salary Revision agreement as settled under 9th Bipartite and to make necessary arrangements for payment of arrears to the officers in one instalment.

5. As per the Notification issued by the Government of India, the implementation will take place as under:-

a) **Pay Scales and Dearness Allowance:-** Pay scales and Dearness Allowances of RRB employees as on 01.11.2007 would be equal to the corresponding categories of employees of the nationalised commercial banks. Pay for the purpose of DA, HRA and Superannuation benefits shall mean basic pay, stagnation increments, special pay, graduation pay, professional qualification pay and officiating pay, if any.

b) **House Rent Allowance (HRA) and City Compensatory Allowance (CCA):** HRA and CCA would be payable at the same rate as applicable to the corresponding categories of employees in the nationalised commercial banks w.e.f. 01.11.2007.

c) The sponsor bank shall negotiate the 'other allowances' with RRBs sponsored by them.

d) The payment of revised salary and the arrears thereof may be made accordingly.

e) The RRBs may issue a comprehensive order indicating the revised pay scale in respect of each category of employees after seeking the approval of their Board of Directors.

6. While, the confederation is not in agreement with the freedom given to the sponsor banks and the unions to negotiate on the other allowances etc., which may lead to unnecessary discriminations between one RRB to another, we are taking up the matter immediately with the Government. In the meanwhile, all our affiliates are requested to kindly ensure that the instructions regarding the implementation of Salary Revision as advised by the Government takes place in good time and our colleagues in RRBs get their arrears without further delay.

**PROGRAMMES OF NATURE
SUCCESSFUL COMPLETION OF AI-POWER PROGRAMMES FOR
SENIOR LEADERS OF THE CONFEDERATION**

The 94th programme the first one for Senior Leaders of affiliates as per the decision of the Vagamom Conclave was successfully conducted by NATURE during 9th to 11th August 2010 at Bangalore. The Programme was inaugurated by Com. G. Makhwana SBIOA Ahmedabad Circle. The participants had the opportunity of interacting with Senior Leaders of the Confederation, such as Com. T.N. Goel, Com. Harvinder Singh, Com. K.K. Dogra, Com. K.D. Khera, Com. Chandra Sekaran, Com. Anantha Krishna Rao.

Thereafter 95th Programme of Nature commenced on 16th August 2010 and concluded on the 18th of August, creating yet another milestone in the path of AIBOC's quest for percolation of the '**Vision**' - '**Mission**' and '**Value Statements**' down to the grass root level through senior leaders of the various affiliates. This was the second such programme for senior leaders of affiliates, conducted as per the decision of the historic '**VAGAMOM CONCLAVE**'. The three-day's programme was designed to invoke honest introspection, provoke creative ideas and ensure proper implementation of the declarations of **VAGAMOM CONCLAVE**. The course was designed to include, as many interactive sessions as possible and the whole atmosphere resembled a workshop wherein the participants involved themselves in-group discussions, brain storming sessions, interactive debates, with the lecture sessions being kept to the barest minimum. But, for the benefit of the senior leaders, stalwarts and veterans of trade union movement, both past and the present were invited to share their views on topics of importance like '**Evolution of Bilateralism**', 'History of Trade Union Movement' etc.,

2. During the two programmes, the participants had the benefit of interaction with almost all the galaxy of trade union leaders past and present. It is now for the leaders to carry forward this message and propagate the vision, mission and value statements and ensure strengthening of grass root level, development of young leaders, thereby creating a vast pool of cadre and second line leaders.

3. The valediction of the 95th programme of NATURE began with a welcome by Com.

B.S.Ravindra, the course co-ordinator. Com.P.K.Sarkar, the President, AIBOC presided over the function, Com.R.C.Agarwal, Com.S.Roy Choudhury, Com.Shivaram Alva, Com. G.D.Nadaf, Com. Shantharaju, Com.L.V.Subramaniam and other local leaders participated. Com. Ravindra urged upon the participants to ensure that the benefits of the workshop percolated down to membership of the affiliates.

4. Com. Roy Choudhury in his address told the participants to reach out to the ideology, the aspirations and expectations of the younger generation the grass root level membership.

5. Com.Shivaram Alva congratulated the leaders of AIBOC for organising this unique and creative programme and said that one has to strive for unity.

6. The participants then had an interactive session and an open forum where important issues were raised and discussed. The participants, in their feedback on the programme, were all praise for the wonderful, compact and task oriented approach of the programme. They thanked AIBOC for the opportunity and in one voice, vowed to carry forward the mission of trade unionism.

7. Thereafter Com.P.K.Sarkar spoke at length, about the need to create and develop second line leadership. He also dwelt on the various problems that were confronting the unions from the side of managements, the governments and from within and stressed that the members should be educated on the need to spend some time to involve themselves in the activities of the trade unions at affiliate level and at the apex level. He also traced the history of the movement before and after formation of AIBOC and said that there were important lessons to be learnt. He urged upon the youngsters to join and strengthen the movement. 'The AIBOC should invest on the youngsters and nourish them. Only then will the movement be stronger' he concluded.

8. Thereafter Com.G.D.Nadaf, Course Director replied to the various points raised by the

LET NOBLE THOUGHTS COME TO US FROM EVERYWHERE

participants. He told the house that, given an opportunity, young leaders will emerge and AIBOC is committed to create such platforms. He told that the affiliates should be strong, as the strength of a chain depends on the weakest link. He said that the entire programme was a new initiative and was very happy that both the programmes were extremely successful and had achieved their goals. He told the participants to ponder over what they have contributed towards strengthening their organisations rather than always asking, "**What has the Association done to us**"? He then signed off with an appeal to the senior leaders to ensure

propagation of the Vision, Mission and Value Statements to the grass root levels.

9.The programme ended with a vote of thanks by Com.Y.Sudarshan. The entire programme was ably compered by Com. K.Nagaraja Shastry.

10.The culmination of the 95th programme is yet another milestone in the unending efforts of NATURE and the AIBOC to ensure that the movement takes strong roots and reaches out to the Comrades in every nook and corner of the Country.

18th NATIONAL CONFERENCE OF CORPORATION BANK OFFICERS' ORGANISATION

18th National Conference of Corporation Bank Officers' Organisation was held in a grand manner at Cochi on 15th & 16th August, 2010. The Venue of the conference was named as 'Sadanand Nagar' at Gokulam Convention Centre, Cochin. A large number of delegates and observers were seated in the hall well before commencement of the inaugural session of the Conference.

2.The session commenced with a prayer by Ms. Aiswarya. Com.C.Rajendran, Chairman Reception Committee, welcomed the guests, delegates and the observers. Com.Koushik Ghosh, General Secretary of Corporation Bank Officers' Organisation in his introductory speech covered the activities of the Corporation Bank Officers' Organisation.

3.Lighting of the traditional lamp by the dignitaries on the dais marked the inauguration of the Conference. Dr.T.M.Thomas Issac, Hon'ble Finance Minister, Kerala State was the Chief Guest. In his speech he dealt on world economic crisis triggered by the global recession. He complimented the trade unions in the Banking Industry for preventing, privatisation of Public Sector Banks and thereby avoiding financial crisis in our country. He was highly critical of the Govt. policy on FDI, deregulation of interest rates, Securitisation etc. The aim of Nationalisation was to mobilise savings and to lend to priority sector by opening branches in rural and semi-urban areas. But the Narasimham Committee report aimed at reduction of Banks and to increase profits of Banks by reducing lending to priority sector. He opposed the idea of present Govt. to privatise

the Public Sector Units. He also narrated the success story, in Kerala, turning the table of loss making PUSs into viable, profit making units and opening up of 8 New PSUs in the State.

4.Shri. Asit Pal, Ex.Director of the Bank in his speech hoped that, by 2013, India would overtake Japan in economic field. He expressed his concern that, by 2012, majority of workforce in the Banking Industry will retire. The Managements of Banks have to initiate necessary steps to face the situation. He was proud that, management at Corporation Bank is improving the Welfare facilities to the Staff, continuously.

5.Com.G.D.Nadaf, General Secretary of AIBOC in his keynote address, covered the successful completion of 9th Bipartite along with the achievement of long cherished dream of 2nd Option on Pension. He complimented Corporation Bank Officers' Organisation for its organisational activities, Social concern and performing its watchdog role excellently. Unfortunately, they are pushed to engage in fighting against injustice in the Bank. They are under constant attack against their legitimate trade union activities. He requested the Management to provide conducive atmosphere in the Bank to the Officers to perform well. The transfers and promotions are used as tools to discourage honest officers to keep away from the Corporation Bank Officers' Organisation activities. He assured Corporation Bank Officers' Organisation that, AIBOC will always support them to grow stronger and also to strength their Bank.

KNOWLEDGE IS POWER

6. Com.T.R.Bhat, former Chairman of the Corporation Bank Officers' Organisation was the guest of honour. In his address he advised the members to continue to work for good of the Bank, maintain integrity, dedication and social commitment. He advised the Corporation Bank Officers' Organisation to fight for Justice and fair play.

7. Com.V.K.Prasad, State Secretary of AIBOC, Kerala State spoke and felicitated the CBOO. Com.D.N.Prakash, President of Corporation Bank Officers' Organisation

delivered presidential address. Com.K.T.Muralee Mohanan, Secretary Reception Committee proposed vote of thanks.

8."Common Bond" compliment Com.D.N.Prakash and Com.Koushik Ghosh for success of the Conference and congratulates Com.D.N.Prakash and Com.Koushik Ghosh for their re-election as President and General Secretary respectively of the Corporation Bank Officers' Organisation for the next triennial.n

CUB OFFICERS ASSOCIATION GETS NEW OFFICE-BEARERS

At General Body Meeting of CUB Officers' Association held recently at Trichy (Tamil Nadu) the following office-bearers were unanimously selected.

Com. K. Arul - President
Com. R. M. Kumar - Vice President
Com. B. Venkateswaran - Vice President

Com. V. Gopala Krishnan - General Secretary
Com. A. Rajaganesan - Jt. Secretary
Com. J. Sridharan - Jt. Secretary
Com. B. Raja - Treasurer

"Common Bond" congratulates the newly appointed office-bearers and wish them all success in carrying out their assignments in future.n

DEARNESS ALLOWANCE

The Index Numbers for the quarter ended June 2010 are as under:

MONTH	INDEX AS PER 2001 SERIES	CONVERSION FACTOR	INDEX AS PER 1960 SERIES
April 2010	170	4.63 x 4.93	3880.40
May 2010	172	4.63 x 4.93	3926.05
June 2010	174	4.63 x 4.93	3971.70
		Total	11778.15
Average = 11778.15/3			3926.05
Difference in excess of 2836 points			1090.05
D.A.paid for the previous quarter on (i.e. 264x4)			1056.00
Difference			34.05
Increase in number of Slabs = 34.05/4 =			8.51

Accordingly, Dearness Allowance is payable to Officers on 272 (i.e. 264+ 8) slabs with effect from 01-08-2010 as against 264 slabs for the previous quarter.

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

Legal Reports

'STAYS NOT ADVISABLE ON DUES OF BANKS, CREDITORS' - SC

The Supreme Court (SC) ruled that the courts should not normally pass stay orders in cases relating to recovery of dues of banks, financial institutions and secured creditors as they would have serious adverse impact on the financial health of such institutions which ultimately prove detrimental to the economy of the nation. "The high courts should be extremely careful and circumspect in exercising its discretion to grant stay in such matters," the court stated in the judgment, in United Bank of India vs

Satyawati. In this case, the bank initiated action against the guarantor of a debt when the borrower, Pawan Colour Lab, defaulted in repayment of the loan. This action of the bank under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act was challenged by the guarantor in the Allahabad High Court. It stayed the recovery proceedings. On appeal by the bank, the SC set aside the high court order. n

Source: Business Standard, Date: 09/08/10

DIRECT TAX CODE - To Simplify the Structure

While presenting the Budget for 2010-11 the Finance Minister has indicated the process for building a Simple Tax System with minimum tax exemption and low rates, designed to promote voluntary compliance and it is expected to be implemented from April 2011.

It is a major attempt to re-write the existing direct tax laws. That will simplify, rationalise and consolidate the law and procedure relating to direct taxes. It will provide a tax regime which is simple and broad based, leading to lower tax rate, better tax compliances and reduced litigations. Simplified laws will also provide a conducive environment for investment and will make India an attractive destination for foreign investors. Through the direct tax code the government aims to have simple, clean tax system.

The government also have dropped many controversial provisions of the draft code to help individuals and companies save on their tax out go. These include, changing minimum alternate tax on gross assets and taxing savings schemes. In the budget for 2010-11, the Finance Minister had introduced a new tax savings instrument - the long term infrastructure bonds in which a tax payer can invest up to Rs. 20000/- to save tax.

This is over and above the Rs. 100000/- exemption limit that one can avail by investing in 80C savings instruments such as, provident fund, tax saving mutual fund, bonds, insurance schemes, and other bonds. While there is no tax on income up to Rs. 1.6 lakh the code has proposed a 10% tax for taxable income between Rs. 1,60,000 and Rs. 10 lakhs, 20% for income above Rs. 10 lakhs but below Rs. 25 lakhs and 30% for income above Rs. 25 lacks. Similarly the government could retain the corporate tax rate of 30% instead of lowering it to 25% due to revenue compulsions. It has however retained capital gains tax treatment.

As per the revised code, individuals will enjoy tax exemption in select but fewer savings schemes. These include the public provident fund, pension schemes, including the government's new pension scheme, general provident fund, recognised provident fund, pure life insurance and annuity schemes. These schemes will not be taxed. However the national savings certificate, bank deposits, unit linked insurance plans; mutual funds will be out of this basket. According to sources the tax code is in its final stage of drafting. n

In order to reach the benefits of banking services to "Aam Aadmi" as their social objective, the Government through the Reserve Bank of India (RBI) had set up a High Level Committee on the Lead Bank Scheme. Based on the recommendation of the committee, and in consultation with RBI, Government had decided to provide appropriate banking facilities to habitations, having population in excess of 2000 by March 2012.

According to report, out of 600000 villages in the country, 64000 villages have population more than 2000, but are deprived of a formal banking channel. As such the Government had set up a Financial Inclusion Fund and Financial Inclusion Technology Fund in NABARD to reach banking services to unbanked areas. Government's ambitious programme include creating 100 million new bank account with full Know Your Customer norms in

BE TRUTHFUL, BE FEARLESS

the next five years. With this view in mind Finance Minister Pranab Mukerjee had also asked the public sector banks to prepare a road map in association with Regional Rural Banks for bringing people living in villages under ambit of banking system.

We have 87000 nationalized bank branches at present, which may grow in to 1 or 1.5 lakhs according to proposal in the next 8-10 years. But according to the Finance Minister this is not sufficient as only 37.2% of the banks branches are in rural areas and that only 40% of the countrys population has bank accounts. As far as agricultural sector is concerned less than a fourth of the farming community have access to bank services which is quite damning. In a recent development Government had decided to release Rs. 4868 crore to PSB for providing short term crop loans to farmers at a concession of up to 4% to lending rates; with an aim of bringing more farmers under the net of institutional credit and raising farm productivity, as a large number of farmers are still under the trap of money lenders.

Financial Inclusion enable the poor to bring their savings in the common financial system which is an avenue to remit money to their families, in the villages and wean them away from the clutches of money lenders. There is a complementarity between the governments financial inclusion agenda and the private bank business strategies. Financial inclusion enable the private sector banks to penetrate in a cost effective way in to a large segment of

potential customers, who are outside their reach at present. This will enable them to increase their deposit base along with PSB. Although the retail accounts commence with nominal amount deposited with them over the years, a sizeable number of these accounts are expected to grow manifold.

As far as RRB's role in financial inclusion is concerned there are certain impediments in view of acute shortage of man power, low level technological upgradation, non feasibility of business correspondent model due to geographical location particularly in the north eastern region. Banks in turn have highlighted the establishment cost of setting up banking service in rural areas as they may not earn money for at least three years on their investment. According to the Government source it was open to the idea of providing subvention in the initial years .

Indifferent growth of banking in rural areas not only affects the poor severely but also the banks, as they are unable to access the farm sectors. According to Sri. C. Rangarajan, Prime Minister's Economic Advisory Council Chairman, 'financial inclusion agenda not only involve deposit taking from small unbanked customers but also the greater challenges of making them credit worthy. Unless banks join hands with the Government and others in taking several projects to these people which will enhance their income capabilities, we will not be able to provides the credit that we want to give to them'.n

RISING OF BAD LOANS

The Finance Minister Mr. Pranab Mukerjee has cautioned the banks that the rising non-performing assets (NPAs) could lead to high lending rates and in turn hamper credit flow to productive sector. The high lending rate discourage new and credit worthy borrowers from seeking bank facility. The increase in level of NPAs has a number of negative consequences as high loan loss provision reduced net profit and this tends to put pressure on lending rates.

Challenges before the banks now include an uncertain pace of global recovery, exit policy, containment of NPAs level and higher provisioning norms etc. According to Finance Ministry the rise in NPAs are attributed to the global economic recession and vagaries of monsoon effecting agricultural loans.

They have cautioned the bank to ensure that these accounts are nursed and brought back to proper health. A recent research note from Standard & Poor an international agency shows that non-performing loans of banks increased moderately from 2.2% a year ago to 2.5% as on 31st March 2010. According to the Finance Ministry the figure is likely to rise further because of recent slow down. As such the ministry is considering changes in the law to facilitates easy seizure of assets from borrowers to help speedy resolution of banks non-performing loans and is expected to move a proposal before the cabinet for a change in the Securitization and Reconstruction of Financial Assets and Enforcement of Scurity Interest (SARFAESI) Act as a step to ensure that recovery process is not time consuming while not harassing. The changes proposed are in response

ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED

to the concerns expressed by Indian Bank's Association over increasing in NPAs and the regulatory hurdles which delays the process of recovery. The law came into force in the year 2002, that require the bank to seek permission of the relevant Chief Metropolitan Magistrate or District Magistrate before seizer of an asset. This is time consuming as there is no time frame within which the authorities have to take a decision. The new proposal requires the authorities to take a decision within 120 days of the request. The Asset Reconstruction Companies (ARCs) specialised institution that deal in distressed assets feel, changes in rules will also incentivise the banks, sell bad loans. Banks have also requested for a reduction in the 60 day time they have to provide to the borrower to settle the dues before they can send a

recovery notice.

As there are allegation that some of the Industrial loans are either wilfully defaulted or slowing down in settlement or settling the loan without realizing the full value, in collusion with certain bank officials, the CBI has initiated probe against those industrial houses whether they have wilfully defaulted the loan. In a huge boost to transparency in banking sector the Chief Information Commissioner in a recent order has asked the banks to make public the details of their loan write off. The ruling may lead bank customers and public knowing who exactly was causing heavy losses to the bank. Thus the confidentiality which was implicit in loan transaction between bank and the borrower come to an end as soon as borrower stopped repayments.

PUBLIC SECTOR BANKS TO RE-INTRODUCE COMMON ENTRANCE EXAM

The PSBs are likely to re-introduce the system of common entrance tests for officers and staff in order to standardize the recruitment process and fill up vacancies faster. The Institute of Banking Personal Selection (IBPS) is working together with Indian Bank's Association in this direction.

Earlier there was region wise recruitment system through Banking Services Recruitment Board (BSRB) which was discontinued in view of the fall in vacancy with computerization.

Now nearly a quarter of the workforce in PSB, is set to retire in next two-three years. Seeking a detailed assessment of man power planning to fall as short falls, the Government has also asked

banks to build a pool of talent that can also takes up leadership position. Besides, a large number of employment opportunities have emerged in the banking sector owing to branch expansion, business growth and aggressive marketing. As such IBA and IBPS are working on some half yearly exam system to create a talent pool for the banking sector. It is also proposed to have a standardization of educational qualification, examination system and formation of a panel. For officers it would be an All India panel and for workmen a state level panel.

It is also proposed to induct senior or specialized officers by individual banks.

SOURCE : E.T. FINANCE

CENTRE TO INJECT ` 6211 CRORE IN TO FIVE PSBs:

In the Union Budget for 2010-11, the Finance Minister had announced ` 16500 Crores towards recapitalisation of Public Sector Banks, to ensure minimum 8 percent tier 1 capital in the banks.

Against this Government on 12.06.2010 announced infusion of ` 6211 crores in to the following five Public Sector Banks.

CENTRAL BANK ` 2016 crores through right issues
OF INDIA

IDBI BANK	` 3119 crores	through preferential placement of equity
BANK OF MAHARASHTRA	` 590 crores	through perpetual non cumulative preference
UCO BANK	` 375 crores	share route
BANK OF INDIA	` 111 crores	

The infusion will help these banks to attain a

WORK IS WORSHIP , DO YOUR DUTY

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minimum 8% tier -1 capital by March 31st 2011, in turn banks will be able to utilise these additional capital to the productive sectors of economy, giving a push to all round economic activity besides paying additional dividends and tax returns to the government.

The capital infusion is subject to certain conditions as the government would be closely watching the performance of these banks, whether the banks continue to maintain the desired capital adequacy and achieve these conditions, according to finance ministry.

According to report capital infusion in banks could turn

out to be also a function of how serious they are about implementing the programmes for financial inclusion. The finance ministry will rank the banks on the index of financial inclusion and use it as one of the criteria while providing them fresh capital.

Of the ` 16500 crores announced in the budget towards recapitalization, ` 14500 crores is coming from World Bank in two loans. The government is providing the remaining ` 2000 crores from its budgetary resources.

Source : Financial Express

BANKING ON WOMEN

We can see many women leaders and women holding top posts in the banking industry. Empowerment of women can now be seen in an all women branch opened by Dena Bank, in Raipur, the capital of Chhattisgarh, right from the peon to the branch manager. Of course guarded by a lone male guard who do not miss to frisk the make customers. The branch has less than 100 account holders at present but the number is expected to increase, as more women are showing interest in opening the account.

The idea of an all women branch was conceived by the local officials and stemmed from the fact that the region had surplus women employees. It was also based on the concept that a women customer can express her views more liberally and that a women manager can read the sentiment of a women customer and redress her grievance. Based on the success of the branch more such branches may be opened by the bank.

Source: Business Standard

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