

# OFFICERS' CAUSE NOVEMBER -2023



# Happy Diwali

This Diwali, let's continue to uphold our values and dedication to service. May your lives shine as bright as the diyas, and may this season bring you happiness, success, and a wealth of cherished moments with loved ones.



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**Editorial**

## UNLOCKING THE INTELLIGENCE TRAP Nurturing a Multigenerational Banking Workforce

The festive season is still in full swing, and as we bask in the warm glow of celebration, it's an opportune moment to extend our heartfelt festive greetings with a sense of joy and togetherness. Deepawali, the festival of lights, holds a special place in our hearts, symbolizing the triumph of light over darkness, of good over evil. In our homes, we illuminate every corner to dispel the shadows, and in our hearts, we yearn to do the same for the understanding among the three generations within our banking workforce.

Just as the glow of Deepawali brings clarity and hope, let us also strive to remove the darkness that sometimes shrouds our interactions and cooperation among these generations. In the spirit of Deepawali, let us endeavor to spread the light of knowledge, cooperation, and harmony within our professional family.

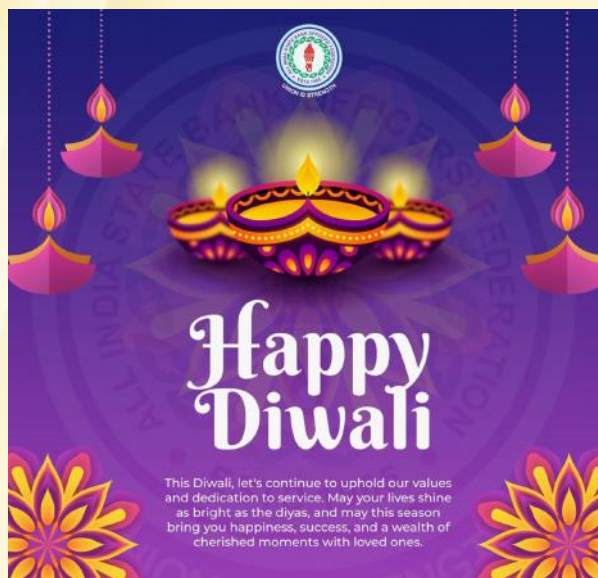
This editorial embarks on a journey that parallels the symbolism of Deepawali, delving into profound concepts illuminated in David Robson's book, "The Intelligence Trap." In our ever-evolving banking landscape, where the wisdom of the past merges with the innovation of the future, we find

ourselves navigating the complex interplay of generations. Our organization thrives on the synergy between Gen X leaders, enriched by their years of experience, Gen Millennials leading change initiatives, and the exuberance of Gen Z entrants. This diversity is a well of untapped potential and subtle challenges.

In this exploration, we shall define the problem at hand, the challenge of understanding and bridging the gaps among these generations. We will introduce the transformative discipline of '*evidence-based wisdom*,' a concept drawn from the book, which holds the promise of illuminating our path forward. We shall

delve into the science of learning and memory, a subject also explored in the book, to understand that even the most intelligent individuals may face learning plateaus, and how continuous learning can propel us towards our collective potential. Lastly, we shall expand our focus beyond individual goals, recognizing that the well-being of our human resources is the cornerstone of our organization's overall development.

"The Intelligence Trap" by David Robson confronts a profound dilemma: the human tendency to overlook our own biases while readily identifying



**NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST**





them in others, a phenomenon known as the **bias blind spot**. This cognitive bias deeply resonates in the intricate dynamics of our multigenerational workforce.

## **I. The Problem: Unveiling the Flaws in Our Understanding**

To begin, we must acknowledge the problem at hand - the failure to fully comprehend and appreciate the unique perspectives, experiences, and talents that each generation brings to our banking. Our Gen X leaders, whose wealth of experience has shaped our organization, may inadvertently resist further change, and overlook the potential of emerging technologies. Gen Millennial, the linchpin of our operations, may overlook the value of time-tested practices. Gen Z entrants, full of youthful exuberance and innovation, may underestimate the wisdom of those who have trodden this path before them. In recognizing these biases within us, we lay the foundation for meaningful progress.

## **II. The Solution: Evidence-Based Wisdom**

Enter the transformative concept of 'evidence-based wisdom' introduced in "The Intelligence Trap." It offers a profound insight into other thinking dispositions and cognitive abilities that are essential for sound reasoning and decision-making. To bridge the generational gaps, we must cultivate these crucial traits and apply practical techniques:

- ▶ **Critical Thinking:** Encourage all generations to critically assess their biases and assumptions, fostering an open-minded atmosphere where diverse viewpoints are valued.
- ▶ **Empathy:** Develop empathy as a core skill to understand the perspectives of colleagues from different generations, creating a culture of mutual respect and collaboration.
- ▶ **Reflective Practice:** Emphasize the importance of self-reflection and learning from experiences, allowing for continuous personal and professional growth.
- ▶ **Informed Decision-Making:** Promote the

habit of seeking evidence and data to support decisions, ensuring that our choices are grounded in sound reasoning.

## **III. The Science of Learning and Memory**

David Robson's book also delves into the science of learning and memory, revealing that even the most intelligent individuals may struggle to reach their full potential. Despite their brainpower, they can plateau in their abilities. To overcome this, we must foster a culture of continuous learning:

- 💡 **Lifelong Learning:** Encourage employees of all generations to embrace lifelong learning, harnessing their intelligence to its fullest potential.
- 💡 **Adaptability:** Promote adaptability and the willingness to unlearn and relearn as our banking environment evolves.

## **IV. Beyond Individual Goals: Well-being of Human Resources**

Lastly, it is imperative to expand our focus beyond individual goals and recognize the well-being of our human resources as a cornerstone of organizational success. Ensuring the health, satisfaction, and development of our workforce leads to the overall prosperity of our beloved institution:

- 💡 **Mental Health Support:** Provide resources for mental health and well-being, understanding that a healthy workforce is a productive one.
- 💡 **Work-Life Balance:** Encourage a healthy work-life balance to prevent burnout and cultivate a more satisfied and engaged workforce.
- 💡 **Professional Development:** Invest in the professional development of employees across generations, acknowledging that their growth contributes to the organization's growth.

In conclusion, "**The Intelligence Trap**" enlightens us about the bias blind spot and the importance of 'evidence-based wisdom,' fostering a culture

**SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS**

of critical thinking, empathy, reflection, and informed decision-making. It underscores the science of learning and memory as the path to unleashing our collective potential. Lastly, it reminds us that the well-being of our human resources is intrinsically tied to the overall development of our organization.

Let us embark on this journey of understanding, learning, and growth as we unite our

multigenerational workforce towards the shared values of our esteemed organization and ignite the flames of knowledge, cooperation, and harmony within our banking fraternity. Just as Deepawali heralds the triumph of light over darkness, let us usher in a new era of understanding and collaboration among generations, where the organization's well-being always takes precedence over individual aspirations.■

## **ONGOING WRIT PETITION (CWP-12876-2023) COMPLIANCE WITH COURT DIRECTIONS**

### ***Text of Communication to the Chief Commissioner, Commissioner of Income Tax on the captioned subject.***

Most respectfully, we are writing to apprise the details regarding the ongoing writ petition CWP-12876-2023, Vipin Kapoor and Another V/S State Bank of India and others. In the above case petitioner No. 2 is All India State Bank Officers' Federation and respondent no. 2 is Income Tax Department.

2. The central issue before the Hon'ble Court of Punjab & Haryana in the referenced petition revolves around whether the Income Tax Department, designated as Respondent No. 2, could continue to pursue proceedings for the recovery of Income Tax related to the LTC (Leave Travel Concession) amount extended to employees in connection with journeys to foreign destinations enroute, specifically before the date of April 15, 2014. It is essential to note that this benefit was accorded to employees in accordance with the circular issued on September 18, 1982, which the Bank consistently adhered to from 1982 until its subsequent withdrawal on April 15, 2014. This LTC benefit had been deemed valid and legally sound for an uninterrupted period spanning over three decades.

3. During the hearing on 02.06.2023, Hon'ble Court while appreciating the fact that the officers/members of Petitioner Federation availed of the LTC facility extended by the Bank towards employees as per Bank's own circulars and letters and, thus, no liability could be attributed to innocent employees who availed of the facility as per the circular/norms which were being followed at the instructions of the Bank at the material time. The Hon'ble Court even noted the said contention in the order passed on the said date i.e. 02.06.2023 and also observed that vide e-

circular dated 15.04.2014, it was decided by the Bank that the employees shall not be entitled to visit overseas countries/centres as part of LTC/HTC which circular was to be made effective prospectively.

4. The Hon'ble Court taking note of the Notice dated 11.03.2023, (issued by Income Tax Department/Respondent No.2), vide which the recovery was being sought with regard to visit of an employee prior to 15.04.2014 for effecting recoveries with retrospective effect, passed interim order to the effect that no recovery shall be made retrospectively prior to the date of Circular dated 15.04.2023 (typographical error, actually dated 15.04.2014), Annexure P/7. This Hon'ble Court also stayed recovery proceedings prior to Circular dated 15.04.2014 qua Petitioner No.1 because the Notice Annexure P/14 along with assessment order passed in the case of Petitioner No.1 only was annexed with the writ petition.

5. Despite the order passed by Hon'ble Court of Punjab & Haryana on 02.06.2023, the Income Tax Department (Respondent No.2) continued with assessment/penalty proceedings, erroneously assuming that the Court had only stayed the recovery of LTC reimbursement by the Bank authorities. The assertion is erroneous which is evident from the bare perusal of the writ petition and even the interim order dated 02.06.2023 passed by Hon'ble Court. Nowhere in the writ petition, the petitioners have challenged any circular issued by the Bank Authorities. In fact, the petitioners have sought issuance of a writ in the nature of mandamus directing the Income Tax Department not to proceed with the recovery of the Income Tax on the amount reimbursed to the petitioners towards LTC in pursuance of circular dated

**ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED**



18.09.1982, which had been admittedly followed in letter and spirit till the withdrawal of the said benefit vide communications dated 15.04.2014.

6. The All India State Bank Officers' Federation filed an appeal before the Hon'ble High Court of Punjab & Haryana in response to such orders/notices issued by the Income Tax department. This appeal was filed to correct a typographical error found in the order from June 2, 2023, and to obtain an interim stay to all Income Tax department proceedings involving members of Federation who were placed in a similar situation.

7. We wish to inform that our application was allowed, and an interim stay has been granted by the Hon'ble Court in this matter. The court, in its order dated 3rd October 2023, has directed certain necessary corrections and clarifications to be made regarding the recovery proceedings and modified the interim order dated 02.06.2023. It has been clarified that since

petitioner No. 2 is All India State Bank Officers' Federation, no recoveries shall be made prior to the date of circular dated 15.04.2014 and no recovery proceedings shall be initiated with regard to any member of petitioner No. 2 – Federation by Income Tax department (respondent No. 2) in the meantime.

8. We humbly request you to facilitate the issuance of appropriate directives to ensure the prompt dissemination of the court's instructions to all officials within the Income Tax Department, including those engaged in the realm of faceless assessments. It is our earnest plea to emphasize the importance of compliance with these directions and to refrain from initiating any proceedings against the members of AISBOF, a significant portion of whom have already retired, and who had availed themselves of the LTC facility during the stipulated years. ■

## CONCERNS AND SUGGESTIONS TO ADDRESS ATMs, ADWMs, AND RELATED ISSUES

**Text of AISBOF Letter No. 6180/52/23, Date: 09.10.2023 to The Deputy Managing Director (HR) & Corporate Development Officer, State Bank of India, Mumbai – 400 021.**

We respectfully bring to your attention certain key aspects, concerns, and suggestions related to ATMs/ADWMs, GCC/SWAYAM/ADWM migrations, cash disbursements, hardware malfunctions and joint custodians. We hold a firm belief that taking proactive measures to tackle these issues will lead to a substantial improvement in our operational efficiency, ultimately resulting in reduced compensation payouts for delayed handling of chargeback complaints and the reversal of failed transactions.

**1. ATM/ADWM Availability Benchmark:** The availability of ATM/ADWMs during the entire day (24 hours) is currently calculated for Branch Managed ATMs (ONSITE). This affects the MD ranking parameter for branches, as the cumulative availability includes holidays, affecting work-life balance. We propose calculating availability only from 10 am to 6 pm during working days for MD ranking parameters, considering circle-wise holidays for each circle.

**2. Usage of ADWMs and Service Charges:** Branches are under continuous monitoring to promote the usage of ADWMs. However, we have received

feedback that the ADWM Service Charges of ₹ 25/- per transaction deter customers from migrating to ADWMs. Many customers prefer to deposit their transactions in the branch, causing hindrances in ADWM promotion. To tackle this issue effectively, we propose that during business hours (10 AM to 04 PM), customers who conduct transactions in ADWMs should not be subject to service charges. This step would encourage ADWM usage and contribute to the overall growth of this service.

**3. ATM/ADWM Availability During Holidays:** The availability of ATM/ADWM services during holidays has a detrimental impact on the work-life balance of joint custodians. They are not even able to take any day off.

Furthermore, a significant portion of our ATM/ADWM infrastructure has exceeded seven years in service and is frequently non-operational due to technical issues such as cash acceptor fault, cash dispense fault etc. It is important to acknowledge that the responsibility for this situation should not rest with the joint custodians.

Additionally, we recommend that ATMs that have been fully loaded to capacity before holidays should be exempted for cash-out error complaints. This exemption is crucial because branches are

**WORK IS WORSHIP , DO YOUR DUTY**

also constrained by cash reserve limits (CRL) during holidays, making it difficult to replenish cash in these ATMs promptly.

**4. CRM Portal Transactions:** It has come to our notice that in some cases, branches submit responses as successful or suspected transactions in the CRM portal, along with the necessary documents. However, BGL 98581 is debited by NFS team of Complaints Management Department subsequently, without any reasons provided in CRM. We suggest including a provision in CRM for comments from the NFS team in cases where branch submissions or documents are declined for any reason before BGL is debited. This would allow branches to understand deficiencies and rectify their responses in the future.

**5. Vendor Performance and Reporting:** Vendors are not consistently performing end-of-day (EOD) procedures and are reporting excess cash with significant delays. This affects the proactive handling of failed/unsuccessful transactions by our branches. We also face delays or non-provision of NECC/CBR/CCTV footage, hindering complaint resolution within stipulated timelines. Although there is a provision of imposing penalties on vendors, we suggest including this clause in SLA and engaging with vendor leadership to ensure regular EOD and immediate reporting of excess cash. Collaboration of Vendor Management system with our internal processes providing view rights of vendor portal may be explored for better coordination.

**6. Joint Custodian Availability:** Some branches have Joint Custodians who are award staff and do not stay beyond stipulated working hours. This affects ATM/ADWM availability calculations. In case they are called for duty, overtime is being paid to them at the requisite rate, which is way more than the compensation paid to officers, affecting the morale and dignity of officers. This issue needs to be addressed on priority.

Furthermore, we propose that no ATM should be linked to the chest branches, as Joint Custodians are already heavily occupied with cash-handling responsibilities, both in terms of branch transactions and Centralized Reconciliation Arrangement (CRA) activities.

It has also come to our attention that Joint Custodians in several chest branches have been assigned additional duties such as marketing, documentation of proposals, and cross-selling. This not only violates

RBI guidelines, potentially inviting penalties from visiting RBI officials, but also diverts the focus of Joint Custodians from their core responsibilities.

**7. Security Guard and Messenger:** Currently, many branches run without security staff, and in cases where they are present, they often lack the necessary weapons and tools. It is imperative to emphasize the importance of having adequately equipped security personnel for the safety of our branches and staff.

Additionally, it has come to our attention that many branches, including currency chests, are functioning without permanent messengers or cash carriers. This situation not only adversely affects the quality of life and dignity of our officers but also puts us at risk of penalties from the RBI if these critical functions are being performed by temporary staff. Addressing these concerns are necessary to ensure the security and efficient functioning of our branches.

**8. Manpower Planning for High Incidence Branches:** Branches with a high number of linked ATMs (more than 10) lack dedicated staff in Manpower Planning (MPP) for complaint handling. We suggest provisioning at least one additional officer for such branches.

**9. Reintroduction of the Channel Manager Position:** We propose the reinstatement of regular officers as Channel Managers at each RBO, a position that was discontinued from the Manpower Planning when the scheme to engage retired officers as CMS was introduced. The Channel Manager served as a vital link between the Anytime Channel Department at LHO and the RBO, responsible for overseeing all aspects of Anytime Channel operations, including ATM/ADWM availability, GCC/SWAYAM/ADWM migrations, cash disbursements, hardware issues, and chargeback complaints.

We believe that the reinstatement of regular officers in this role is essential, as they tend to have a stronger sense of ownership and commitment towards maintaining the high standards expected in these parameters, compared to retired officers. This proposal aims to optimize the management of our Anytime Channel operations and ensure the highest level of efficiency and accountability in its various aspects.



**10. Dedicated Cell for Reconciliation:** We strongly recommend the establishment of a dedicated cell at GITC specifically for the reconciliation of apparently clear failed transactions. Such a cell would play a pivotal role in promptly and accurately resolving discrepancies in transactions, ensuring that transactions deemed clear are thoroughly examined and reconciled in a timely manner. This initiative will contribute significantly to enhancing the overall efficiency of our operations and provide customers with a more seamless banking experience.

**11. Taking up the Matter with RBI:** We believe it's imperative to engage with the Reserve Bank of India (RBI) on certain vital matters as these issues, if addressed in collaboration with RBI, will significantly contribute to improving the efficiency and effectiveness of our ATM/ADWM operations.

- (a) As there may be occasions with two or more consecutive holidays, the current stipulated period of 3/5 calendar days for dealing with chargeback complaints is too short, especially for high-incidence branches linked to multiple ATMs ranging from 25 to 150. We request that the RBI consider extending this period or take stipulated period of 3/5 working days in place of calendar days to ensure proper resolution.
- (b) Our field inputs indicate the existence of unscrupulous individuals who intentionally label transactions as "failed" (often due to tampering) and then file complaints with significant delays to benefit from RBI penalties. To address this, we propose implementing a cap on maximum penalties, linked to the transaction amount. Furthermore, the days of penalty should be calculated from the date of the customer's formal complaint rather than the date of the transaction, given the constraints faced by the Bank in resolving complaints within the stipulated 3/5 days.

**12. Officers' Exploitation Amidst Struggling Work-Life Balance on Sundays/Holidays:** Officers who manage ATMs/ADWMs in branches and controlling offices find themselves compelled to work on almost every Sunday and holiday. This constant work schedule leaves them with little to no work-life balance. Moreover, there is an alarming concern regarding the instruction that

allows officers to be called in on Sundays and holidays. This instruction restricts claims for payment of monetary compensation (₹2000/-) and Compensatory Off in HRMS to just 8 days in a quarter. Beyond this limit, officers are denied their rightful compensation. Additionally, award staff employees working as cash officers are paid overtime at a rate of 200%, while officers face unnecessary hurdles due to the requirement of an approved note not below the rank of DGM, which controllers often fail to provide. Also, the amount being paid to them is significantly less than paid to award staff employees. This anomaly lowers their morale and affect their dignity where the subordinate is paid more than the superior for the same kind of work, and with more responsibilities. We urge you to prioritize addressing this issue promptly to ensure the well-being of our dedicated officers.

**13. Recovery of Penalties for Delay in ATM/ADWM Cash Withdrawal Transaction Reconciliation:** The Bank's guidelines underscore the importance of the operating staff ensuring compliance with instructions to prevent financial losses to the bank arising from delayed reconciliation of failed ATM/ADWM cash withdrawal transactions. Non-compliance with these guidelines is subject to an examination and the determination of staff accountability in accordance with the Bank's existing service rules. This process inherently implies that principles of natural justice are followed, the officials must be afforded a fair opportunity to explain their actions and provided a defense before any penalties are imposed.

While we completely understand that the Bank must act against non-compliance in order to reduce financial losses, we would like to bring to your kind attention that some circles have adopted a tactic that is unfair and at odds with the principles of natural justice. It has come to our knowledge that RBI penalty amounts have been recovered from the accounts of joint custodians without giving them a chance to explain what happened or without establishing whether the mistake was their fault. Reconciliation delays have frequently been caused by outside factors, like vendor management of outsourced machines or other technical difficulties. Such actions not only go against accepted legal norms but also against the Bank's own guidelines.

We kindly request the immediate intervention of the competent authority in this matter to ensure that

**BE TRUTHFUL, BE FEARLESS**

due process is adhered to in all cases. This approach aligns with principles of fairness, justice, and the Bank's commitment to upholding its own guidelines.

**In conclusion**, we extend our heartfelt gratitude for your unwavering attention to these critical matters. We hold a strong conviction that by promptly tackling these operational challenges faced by our field functionaries, we can cultivate a more efficient, customer-centric, and compliant ecosystem, one that

strengthens our cherished relationships with our valued customers.

While we understand that certain issues may already be on your radar, we earnestly request your esteemed office to expedite the resolution of these challenges. Your decisive actions in this regard will undoubtedly contribute to the continued growth and success of our organization. ■

## **EMBRACING THE DASHBOARD APPROACH TO SIMPLIFY DATA MANAGEMENT**

**Text of AISBOF Letter No. 6180/51/23, Date: 10.10.2023 to the Deputy Managing Director (HR) & Corporate Development Officer, State Bank of India, Mumbai – 400 021.**

To ensure that human resources are used as effectively as possible, we are writing to draw your kind attention to a crucial issue.

2. In spite of the Bank's official announcement (sunset) that WhatsApp will no longer be used for official communications, we have seen a growth of WhatsApp groups at different levels, including those organized by department, region, and module. To seek information that is easily accessible in our management information system (MIS), these groups are being utilized. This practice has ended up resulting in inefficiencies and the waste of important resources due to redundant data collection attempts and workforce consumption.

3. To elaborate, branches in almost all the circles are currently required to transmit data to their respective Regions every evening rather than extracting it from MIS. Following the consolidation of this data, the Regions send it on to the Modules, who subsequently send it on to the Circles. Finally, the Corporate Centre receives the data. This

convoluted process not only takes up significant time, but it also burdens our operating staff excessively.

4. Additionally, we've noticed that many senior officials prefer customized data formats rather than the standard formats offered by our MIS. This predilection for customized formats causes our staff to put in more time and effort, which is out of step in this fast changing technological landscape. Additionally, it calls into question the effectiveness and capacity of our MIS.

5. We respectfully request your intervention to initiate steps to stop these practices. We propose advising controlling offices and circles to rely solely on the dashboard and MIS data for their information needs. This streamlined approach will not only enhance efficiency but also align with the modern technological environment.

6. We greatly appreciate your consideration of our concerns and anticipate your quick response in addressing this issue. We believe that by embracing technology and relying on our robust MIS, we can make sure that things run more smoothly and effectively within our bank and better serve the needs of SBI and its dedicated workforce. ■

## **BIPARTITE TALKS WITH IBA NEGOTIATING COMMITTEE MEETING – ROUND 4**

**Text of AIBOC Circular No. 2023/41, dated 28.10.2023 reproduced the text of UFBU Circular No. 2023/16 dated 28.10.2023.**

**\* Bipartite Discussions with IBA on 27-10-2023.**

Further to the last round of discussions held with IBA's Negotiating Committee on 29.9.2023, meetings of Working Groups on 1. Special Pay

posts and duties, 2. Revised DA Formula, 3) Disciplinary Action & Procedures for workmen, 4) Officers Disciplinary Procedure Conduct Rules and 5) Leave and LFC rules were held on 11th, 12th, 13th and 26th October, 2023. A meeting of Core Committee was also held on 25.10.2023. The various demands submitted in our Charter of Demands were discussed in these meetings. Further discussions on these demands would continue.

**OUR LIFE IS WHAT OUR THOUGHTS MAKE IT**



Unions are aware that IBA has agreed that the revised Pay Scales would be worked out by merging Dearness Allowance upto 8088 points. We had demanded that in the new Settlement, after such merger of DA, the DA scheme should be switched from 1960=100 Index Series to 2016=100 Index Series. The Working Group has agreed to recommend the same to the Negotiating Committee where final decision would be taken.

Yesterday (27-10-2023), another round of discussions was held with the Negotiating Committee of IBA led by its Chairman Mr. M.V. Rao (MD & CEO, Central Bank of India). During the discussions we urged upon the IBA to come out with their offer on the demands submitted by our Unions. IBA explained the financial

position of the Banks and keeping that in view offered an increase of 15% on Payslip cost. From our side we could not agree to this offer as the same was inadequate to reach a finality. Hence, we requested the IBA to further improve their offer. However, no conclusion could be reached. Hence the discussions would be continued in subsequent meeting.

**Option for resigned employees to join the Pension Scheme:** During the meeting, we followed up the issue of extending an option to the resigned/ voluntarily retired employees/officers to join the Pension scheme. IBA expressed their inclination to agree to the same and it was decided to work out the rules and conditions to be prescribed for the same. ■

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## **6th OCTOBER 2023**

### **39th FOUNDATION DAY OF AIBOC**

### **DOWN TO THE MEMORY LANE -FOSTERING THE POSTERITY**

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**Text of AIBOC Circular No. 2023/39, dated 03.10.2023 .**

A small leap made on the eventful day of 6th October 1985 has gauged 38 milestones to take to its stride the 39 magnificent years of struggle, glee and glory that forms the hallmark of the mighty, All India Bank Officers' Confederation. AIBOC boastful in its own right to be the largest Banking Sector Trade Union Organization world-wide not only has been shielding its members against multifarious onslaughts from variegated sources but also striving incessantly to offer a better working environment to its fraternity by advocating for rights, welfare and professional growth of bank officers by ensuring that their voices are heard, and pain points embraced.

The gaudy organization that made its first cry just 38 years back has since established itself as the champion of Trade Union Movement and has become a formidable and potent force protecting the interest of hundreds of thousands of bankers while redefining the art of trade union movement leveraging on collective bargain and spirit of camaraderie to its nicest effect. This journey from a humble beginning to its transformation to a reckoning force in the landscape of trade union movement is surely a testament to the dedication and unwavering commitment of our members which deserves special mention on such an eventful day of commemoration.

While we commemorate the present, it would be blasphemous on our part not to celebrate the dedication and foresightedness of our predecessors on such an eventful day. We profoundly remember our forerunners who in their quest to give birth to one of the most formidable trade union organizations conceptualized the idea and brought all the Banks together to carve a colorful rainbow that over the years has been continuously beaming lights on various aspects of trade union movements. Let us acknowledge with reverence their toil, sacrifice, and the saga of struggle, all to ensure a better working place, better compensation, job security and to accomplish them all, they walked through the thread of unity and made all the challenges turn to opportunities.

As we celebrate this foundation day, let us renew and retrieve our commitment to the principles and objectives set forth by our frontrunners and resolve to take the organization to a new orbit where we shall be proactive and steadfast in resolving issues for our members and travel the path, since travelled the least.

Amidst celebration, we are not oblivious to the ensuing challenges also. The most prominent among the challenges before AIBOC now is to protect the public sector fabric of our banks and we are resolute in our pursuit to shield the same with all our zeal and zest and defeat any such onslaughts on the part of the dispensation. We are in the discussion of the

**LET US BUILD A STRONG AND SELF RELIANT INDIA**

9th joint note where we must clinch the best possible bargain in terms of salary negotiation as well as ensure better working conditions for the Bank Officers. We must clinch the much awaited 5-day work week to ensure our members maintain a quality work-life balance and on the other hand we shall also have to ensure that our market share remains intact and progressive. It also falls within our bounden duty to ensure public sector banks remain relevant under the changing banking scenario. We on this auspicious day of commemoration are resolute to demand more recruitments in the Public Sector Banks, at the same time we must ensure our wholehearted contribution towards the prosperity of the bank to ensure prosperity of all its stake holders.

As we look back on our remarkable journey, it is essential that we come together to celebrate this momentous occasion in a befitting manner. Let the AIBOC Foundation Day not just be an annual event; rather, an opportunity for all of us to reflect on our accomplishments, reaffirm our commitment to our cause, and look forward to the challenges and triumphs that lie ahead. Let this epoch-making event be a treat to the eyes of the beholders and remain fresh in their memories, let this sparkling occasion dazzle the imagination that a youth soul fosterage and cherish, let all glitters glee at this momentous junction, let the day be celebrated to celebrate the concoction of success, failure and ever enduring saga of struggle.

Here are few suggestive but not exhaustive ways we can make the day remarkable and rewrite the history that shall set trend for the posterity:

1. **Educate and illumine:** Organise local events, seminars, or discussions that highlight the significance of AIBOC in the banking sector as well the contribution of Public Sector Banks in the process of Nation Building.

2. **Social Media Campaign:** Take the celebration to social media platforms to spread the word about AIBOC Foundation Day. Tweet, Retweet to create storm in the social media podium.
3. **Connect the mass:** Take out walkathon, distribute leaflet, bring awareness amongst the public in general about the relevance of public sector organisations and how govt, is hell-bent to dismantle the same.
4. **Deliberate and debate:** Organise debate/quiz competitions in prominent schools, colleges on topics of our interests.
5. **Social welfare program:** Assisting nearby government schools in enhancing infrastructure for their students

Remember that our strength lies in our unity and shared purposes. By coming together to celebrate AIBOC Foundation Day, we not only honour our past but also reaffirm our commitment to shaping the future of the banking sector. Let us also solemnly take a pledge that we shall not yield till our goals are achieved, we shall not take rest till the unsolicited protagonists yields. On this auspicious day, we resolve to expand our presence into uncharted territories and establish a sustained, formidable movement to vigorously oppose the nefarious designs aimed at eroding the public sector character in banking and diminishing the role of banking in the financial sector. Our goal is to safeguard our national assets from falling into the hands of crony corporations.

As we move forward let our collective resolve be a beacon of hope and progress guiding us towards a brighter tomorrow. Let us voice in unison the eternal song of unity and keep our flag fly high and higher, let our unity be a champion for every nation building banker. ■

## GOVT APPROVES 100% DA NEUTRALISATION FOR PRE 2002 RETIREES AS PER MOU SIGNED BETWEEN IBA AND UFBU ON 28.07.2023

*Text of AIBOC Circular No. 2023/40, dated 07.10.2023 reproduced the text of UFBU Circular No. 2023/15, dated 07.10.2023.*

Government approves 100% DA for pre-November, 2002 pensioners as per the MoU signed by UFBU with IBA on 28-7-2023. It will be effective from 1st

October, 2023.

Unions are aware that as compared to the earlier DA scheme with ceilings and tapered percentage, UFBU achieved 100% DA compensation without any ceiling under the 8th Bipartite Settlement i.e. from 1-11-2002. We have been demanding that this benefit may be



extended to pensioners who had retired from the Banks prior to November, 2002.

Unfortunately, the issue was dragged into litigation. During the signing of 10th Bipartite Settlement in May, 2015, we signed the Record Note in which demanded extension of 100% DA for pre-November, 2002 pensioners. IBA did not agree to this demand on the plea that the issue was sub-judice. Later, Supreme Court declined to accept this demand and hence

there was a set back to our demand.

However, we were pursuing this demand since it is important to achieve this to pursue our demand for updation of pension. We were happy that despite the negative decision of the Court, IBA took a positive view and UFBU signed the MoU on 28-7-2023 by which IBA agreed to the demand and to implement it after approval from the Government as under:

For all pensioners and family pensioners relating to period prior to 1 <sup>st</sup> November, 2002	DA rates will be on uniform basis of 100% neutralization as in the case of employees/ officers/ pensioners'/ family pensioners of period on and from 1 <sup>st</sup> November, 2002 as provided herein below  - For those pensioners'/family pensioners of period 1-1-1986 to 31-10-1992/30-6-1993, DA shall be at the uniform rate of 0.67% per slab over 600 points.  - For those pensioners'/family pensioners of period 1-11-1992/1-7-1993 to 31-3-1998, DA shall be at the uniform rate of 0.35% per slab over 1148 points.  - For those pensioners'/family pensioners of period 1-4-1998 to 31-10-2002, DA shall be at the uniform rate of 0.24% per slab over 1684 points.
For Pensioners/Family Pensioners of the period from 01.01.1986 to 31.10.1992/30.06.1993  - For Basic Pension/Family Pension upto Rs. 1250/- - For Basic Pension/Family Pension from Rs. 1251/- and upto Rs. 2000/-	  Ex gratia of Rs. 800/- per month  Ex gratia of Rs. 450/- per month
For Pensioners/Family Pensioners of the period from 01.11.1992/01.07.1993 to 31.03.1998  - For Basic Pension/Family Pension upto Rs. 2400/- - For Basic Pension/Family Pension from Rs. 2401/- and upto Rs. 3850/-	  Ex gratia of Rs. 800/- per month  Ex gratia of Rs. 450/- per month
For Pensioners/Family Pensioners of the period from 01.04.1998 to 31.10.2002  - For Basic Pension/Family Pension upto Rs. 3550/- - For Basic Pension/Family Pension from Rs. 3551/- and upto Rs. 5650/-	  Ex gratia of Rs. 800/- per month  Ex gratia of Rs. 450/- per month

We are glad to inform that upon reference to the Government, the Dept. of Financial Service, Ministry of Finance has given its approval to implement the above benefit with effect from 1st October, 2023. We are happy that this would benefit about 1,80,000 pensioners who retired from the Banks including from SBI prior to 1-11-2002.■

## CASA, A FOUR-LETTER WORD THAT BANKERS LOVE BANKER'S TRUST-.....*Tamal Bandyopadhyay*

The earnings season is in full swing and the analysts are keeping a close watch on a few metrics in banks' balance sheets. Indeed, for most banks, the net interest income has been rising, backed by credit growth; and bad loans, as a percentage of the loan book, are coming down. That's a good story. The not-so-good story is the drop in current and savings account (Casa) and, consequently, net interest margin (NIM). The raw material for a banking business is the money savers keep with a bank in the form of deposits. The challenge before all banks is to keep the cost of

*It is also changing its profile as it is no longer low-cost money but it balances the asset-liability gaps and lowers banks' capital requirement*

deposits low and NIM high. NIM and spread are the two key parameters that give an indication of a bank's operational efficiency. As a concept, NIM and spread are similar-and often NIM is loosely used for spread-but there is a subtle difference between the two. While NIM is arrived at by dividing a bank's net interest income by its average interest-earning assets, spread is the margin between the yield on assets and the cost of liabilities, or the difference between interest income and interest expense as a percentage of assets. NIM can be higher or lower than the net interest spread.

**NEVER BEND BEFORE THE INSOLENT MIGHT**

Normally, in a rising interest rate cycle, banks are in a hurry to raise their loan rates but they go slow in offering higher interest to depositors. Conversely, when the rates fall, banks are quick to cut their deposit rates but take time in passing on the benefit to the borrowers. The impact of any hike or cut in loan rates is felt immediately as a bank's entire loan book is re-priced, but that's not the case with deposits as the new rates are applicable only when the existing deposits mature or new deposits flow in. Every banker loves the four-letter word Casa as it plays an important role in lowering the cost of deposits. The "Ca" of Casa stands for current, account, primarily meant for companies, public enterprises and entrepreneurs who typically do several banking transactions daily. Such customers can deposit or withdraw any amount of money any number of times. Banks generally insist on a higher minimum balance to be maintained in a current account. As the balances maintained in the account are often volatile, banks levy a certain service charge for operating a current account. The money kept in such accounts comes free to a bank as no interest is paid on current accounts.

A savings account or the "sa" of Casa, is the most common operating account for individuals and others for non-commercial transactions. Banks generally limit the number of withdrawals an account holder can make, and also specify a minimum average balance. Of course, there is a segment of zero-balance accounts, too. Until 2011, the interest on savings accounts was regulated. Even after deregulation, most banks were offering 4 per cent when the free regime started—the last level of rate in the regulated era. Every bank wants to increase its Casa, as a higher portion of Casa in the overall deposit liability brings down its cost of money.

Of course a high NIM alone cannot make a bank profitable as operating expenses and credit costs, including provisions for bad assets and write-offs, erode a substantial portion of NIM. Banks need to cut their operating costs and increase efficiency. They can remain profitable even when NIM shrinks, provided they start generating more fee income. These are all theories. Let's look at the ground realities of the Indian banking system. The Reserve Bank of India raised the policy rate from 4 per cent to 6.5 per cent (between May 2022 and February 2023) and the banks followed it up by raising their lending rates. They were initially slow in raising deposit rates but, to keep pace with the loan growth they needed money; and a fierce rate war broke out on the deposit turf. While most public sector banks and a few large private banks have stuck to the 4

per cent savings rate, others have substantially raised their savings bank rate. And, all have raised the interest rates on fixed deposits or FDs. As most of the old deposits have got repriced over the last 18 months and new deposits offer higher rates, the cost of money for the banks has been rising.

A portion of the savers has also shifted a part of their savings bank accounts to create FDs. As a result of this, most banks' Casa ratio—as a percentage of total deposits—has been coming down. If we look at the figures of some of the banks for the September quarter earnings, there has been a dramatic drop in Casa. HDFC Bank Ltd's Casa has gone down following the merger of HDFC Ltd with itself but, for others, the customers have either shifted from savings bank deposits to FDs or left for greener pastures. Unlike water, money flows to a higher level.

One small finance bank's Casa ratio has slipped from 52 per cent in the June quarter of 2022 to 34 per cent in the September quarter of 2023! During the same period, a new private bank's Casa ratio dropped from 43 per cent to 39 per cent and that of an old private bank from 37 per cent to 31 per cent. Incidentally, the profile of Casa is also changing as it is no longer low-cost money. A few banks are offering as much as 7.25-7.5 per cent for "sa". On "Ca", banks cannot offer interest rates but many of them have put in place switching facilities—after a certain amount, the money from "Ca" flows out to create an FD on which the customer earns interest. Still Casa is important for every bank. Why? The banks need to manage their assets and liabilities of the asset-liability management buckets. The deposits, capital and reserves and certain other borrowings are liabilities of a bank while loans and advances and investments in government and corporate bonds are assets. There are several such buckets—from the very short-term to 15 years and more. There could be gaps in some of the buckets and each bank follows a board-driven policy to manage the so-called IRRBB or the interest rate risk in the banking book.

Typically, based on behavioural analysis, about 30 per cent of Casa is considered stable and adjusted in the longer end asset-liability bucket. That's how Casa balances the asset-liability gaps and reduces the IRRBB in a bank's balance sheet and lowers the capital requirement. Since capital is far more expensive than Casa, banks would not mind paying higher rates for "sa". The writer is an author and senior advisor to Jana Small Finance Bank Ltd. His latest book is *Roller Coaster: An Affair with Banking*. To read his previous columns, please log on to [www.bankerstrust.in](http://www.bankerstrust.in) X:@TamalBandyo



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## DEARNESS ALLOWANCE

The Index Numbers for the quarter ended Sep 2023 are as under:

### DA Payable for the months - Nov 23 to Jan 24

Month	Index as per 2016 series	Conversion Factors	Index as per 1960 series
Jul.2023	139.70	4.63 X 4.93X2.88	9183.68
Aug.2023	139.20	4.63 X 4.93X2.88	9150.81
Sep.2023	137.50	4.63 X 4.93 X2.88	9039.06
Total			27373.55
Average			27373.55/3
Rounded off			9124.52
Difference in excess of 6352 points			9124.00
Number of Slabs			2772
D.A.paid for the previous quarter slabs			693
Difference			632
New DA Rate			61
			48.51

Accordingly, Dearness Allowance is payable to Officers is 693 (ie.,632+61) slabs with effect from 01.11.2023 as against 632 slabs for the previous quarter. The rates worked out are as per the industry level scales up to Scale VII including SBI. ■

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