

A photograph of a lavender field at sunset. The sky is a gradient of purple, pink, and orange, with rays of light emanating from the horizon. The lavender plants are in neat rows, leading towards the horizon. There are some trees and a small building visible in the distance.

OFFICERS' CAUSE

FEBRUARY - 2016



A START-UPS TOWARDS ACHHEDIN

With the promises of Achhedin made during his election campaign, many projects were announced by the Prime Minister, such as Make in India, Skill India, Digital India etc., towards generating employment and economic growth of the country, the latest being Start-up India. The government in their maiden budget during July 2014 also proposed to set up a fund of `10000/- crores to act as a catalyst by providing equity to startups. Compared to larger vision such as Make in India and Digital India, Start-up India is relatively focused, though it requires both financial as well as human capital. The biggest challenge of the Indian economy will be building human capital i.e. education and skilling.

Deeply impressed with the enterprising spirit of start-up and the number of jobs that created in US, during his visit to San Jose, California, in US, during September last, the Prime Minister has said that 'If there's a strong wind blowing, some might want to shut the window. Others will want to put up a windmill or launch their sails on the seas. Hence he wanted to implement the scheme in India and wanted to bring back entrepreneurs of Indian origin in US who had left because of policy hurdles. He also wanted many young entrepreneurs in India to start up on their own. Accordingly as announced

during his independence day speech last year launched the start-up India action plan in Delhi on 16th January 2016.

This is a welcome move especially when a lot has been promised by the government but only a little delivered. The government had announced a core fund of `10000 crores and will follow due diligence to carry out the exercise and create a favourable climate. The measure has enthused the existing and aspiring entrepreneurs. The project will allow them to spend their time and money to innovate more and drive more growth. There are many enterprising individuals who have ideas and would be keen to start-up innovation in agro-space, biotech, and sustainable energy solutions and other technologies; for which the start-up India action plan will benefit.

While announcing the scheme the government has also unveiled a slew of incentives to boost start-up business such as register the company through an app, a compliance regime based on self-certification which would ease regulatory burden, providing seed money, tax holidays for three years, free legal service centre etc; all these will free up a lot of time from non-core activities to growth driving. It will also allow them to spend their time and money to innovate more and drive more growth. With the

announcement of start-up plan government is trying to knock start an innovative economy and bring entrepreneurship into the main stream allowing more young people to start on their own.

One of the sensitive issue and concern of the workers and the unions under this action plan is the total freedom provided to the entrepreneurs from the application of labour laws such as Industrial Disputes Act and Factory Act for a period of 3 years. When the country is already facing a huge employment problem and exploitation of the workforce by the corporates, this concession is bound to result in exploitation of workers, who will be kept outside the unionization in the name of encouragement to new entrepreneurs. As such this could be a great challenge to the trade union in the country.

There are certain apprehensions in the minds of prospective entrepreneurs, whether the tax

holidays of 3 years announced do any benefits since there would hardly be any start up that generate taxable income in the first three years. According to them in the initial stage monetization happens very slowly. Any new product or service has a gestation time and customer accept time which the entrepreneur has to sail through. As such the tax holiday announced by the government may give only little relief. Once the growth momentum kicks in it is expected that the revenue flows in that gives breathing space to the venture.

State Bank of India on its part in support of the venture, recently opened an exclusive branch at Bangalore, first of its kind to serve start up compliance under the name In Cube. The branch will offer a one stop for a verity of services including advisory to budding entrepreneurs. The branch would help them to establish their start up firm and advice with various issues such as regulatory legal and compliance. ■

VETERAN TRADE UNIONIST COM. A.B. BARDHAN PASSES AWAY

Ardhendu Bhushan Bardhan popularly known as A. B. Bardhan, veteran Trade Union leader and a life-long crusader for the working class passed away on 02-01-2016 at G.B. Pant Hospital in New Delhi.

Com. Bardhan was an honest politician with a sweeping view of history and was also a prolific writer. Apart from writing on ideological and political issues, he has written number of books and booklets on problems of Adivasis, minorities, history of working class movement, etc. His last book was 'Crisis of Corporate Capitalism' that had number of editions during the last one decade. Com Bardhan

was a multi-faceted leader – a great scholar, an effective orator, organiser, writer, campaigner, **crusader, fighter, and negotiator – all in one.** He was an uncompromising champion of the **downtrodden and the marginalized.** He was a very matured and seasoned political leader. His death is a great loss to the workers & engineers movement, trade unions and to the people at large.

"Officers Cause" conveys their respectful homage to Com. Bardhan and dip their banner in respect of the legendary trade union leader and conveys their heartfelt condolence to the bereaved family. ■



SAVE PUBLIC SECTOR CAMPAIGN

There is an urgent need to educate the public and spread awareness in the light of serious attempts to undermine the public sector character of various undertakings, more so the Banking Sector. The Government has been trying to introduce various amendments in this direction to dilute its equity, in the course of time. Such attempts have to be resisted by the trade unions.

2. The Federation and the confederation have been relentlessly campaigning to this effect. The two days seminar on 'Neo liberal Economic policies and its effect on Trade Union' held at Delhi on 6th and 7th of August, 2015 was a major step in this direction. Many other programmes have been lined up in this direction. An alternate Gyan Sangam on 'Contemporary issues, challenging Banking and

SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS

Public Sector' is being organized on 26th & 27th February, at New Delhi wherein eminent academicians are expected to address.

3. The Chennai affiliate under the leadership of Com.D.T.Franco Rajendra Dev and the leaders of Tamil Nadu State unit had launched the 'Save Public Sector Campaign' through innovative 'Street Plays' and Publicity Campaigns, on the Republic Day, the 26th of January, 2016 symbolising the spirit of freedom.

4. Various affiliates of the State Unit of the All India Bank Officers' Confederation (AIBOC), Confederation of Central Government Gazetted Officers Organisation, Sanchar Nigam Executives Association, All India Power Engineers Federation, National Confederation of Officers' Associations, LIC Officers Association, United Form of Bank Unions, CITU, AITUC, BMS, INTUC, All India Insurance Employees Association, BSNL Employees Union, Railway employees union, Tamil Nadu Science Forum, SHG Federations, Agriculture Workers Unions and Farmers Association also came together and launched a campaign to "Save Public Sector" at the SBOA School & Junior College, Chennai.

5. More than 700 people gathered at the venue of the launch in the evening. Com.Y.Sudarshan, President, All India Bank Officers' Confederation and General Secretary, AISBOF launched the campaign. He outlined the role played by Public Sector in the lives of the common people of India and various attempts made by the Government to privatise it. He said that it was the duty of every citizen to protect Public Sector.

6. Shri.Bharati Krishnakumar, who was General Secretary of Pandian Gramin Bank Employees Association, Film Director and writer impressed upon

the audience that Public Sector belongs to the people and Government's role is only that of a watchdog to protect it.

7. Shri D.Thomas Franco Rajendra Dev, President, of the Federation reminded that the basic character of India as per the Constitution of India is sovereign, socialist, secular and democratic. He recalled the Bombay plan that wanted the Government to invest in sectors that required large capital, which they could not provide as returns on such investments would be very slow. Thus began the large investments and the birth of Public Sector. Now, after seeing the extraordinary growth and dominance of Public Sector in all the fields, Private Sector wants to swallow them. He called upon the people to unite to save Public Sector.

8. A short film on "Save Public Sector" written and directed by Com Bharathi Krishnakumar, was screened for 15 minutes. The film focussed on the benefits of Public Sector and the necessity to safeguard it. It was followed by a Kalajatha (street play) for one hour by Alternate Media centre, Loyala College, Chennai. Com.A Krishnan, President, SBIOA(CC) presided over the launch.

9. The Kalajatha (street play) shall be travelling across Tamil Nadu and Pondicherry for 36 days and perform. It will be started at Kanyakumari on 31st January 2016 and then will continue throughout India by 20 different teams.

10. An oath to save Public Sector in English was administered by Com Vijayasenan, the State Secretary of AIBOC and in Tamil by Com Elango, the President of DREU. Representatives from the affiliates of AIBOC and other Trade Unions also were present in large numbers. ■

SILVER JUBILEE YEAR OF NATURE
118TH WORKSHOP ON DISCIPLINARY AND VIGILANCE PROCEEDINGS
FROM 18TH TO 20TH JANUARY, 2016 FOR SBT COMRADES

NATURE, a wing of All India State Bank Officers' Federation, as the first programme of the year at Trivandrum, on Disciplinary and Vigilance Proceedings, exclusively arranged for the leadership of ABOA – Unit SBT, where in more than 65

Comrades had participated.

2. Com.G.R.Jayakrishnan, the General Secretary of the ABOA, SBT unit welcomed all the participants. He spoke about the activities of the SBT Unit and its

ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED

efforts to ensure that the members followed the systems and procedures. He also welcomed CGM Sri.Hari Kumar, Sri.Samkutty Mathew, the General Manager of SBT, Com.Y.Sudarshan, the General Secretary, AISBOF and President of AIBOC, Com.Shantharaju, the former General Secretary of AISBOF and AIBOC, Com.Shamsunder Rao, the course co-ordinator of NATURE, Com.Nandakishore.M.Malkhedkar, the General Secretary, SBIOA(K) and other dignitaries present. He also thanked the Management of SBT for arranging the Disciplinary Workshop.

3.The Programme commenced with a welcome address by Shri.Sam Kutty Mathew, the General Manager of SBT. While giving a brief introduction of the objective of the programme, he stated that financial institutions are more concerned with business and basically deal with money matters. However, when things go wrong due to extraneous reasons such as work pressure, ignoring the laid down procedures etc., it leads to disciplinary issues. We are regulated by various authorities such as RBI/GOVT/ State Body etc. All of us have a great responsibility to ensure that the number of cases are minimized and the members are properly guided in the matter of disciplinary proceedings. Thereafter, he gave a brief introduction about the members of the faculty and the role played by Bank in imparting the knowledge of disciplinary proceedings, so that the Defense Representatives are able to discharge their role effectively.

4. Shri.Y.Sudarshan, the General Secretary of the Federation and President of the Confederation in his introductory remarks gave a brief account of the historical background of the NATURE and declared that service is the central part of all our activities. The Management of SBT deserves all appreciation for providing support and arranging this programme for the benefit of members of the Association. The participants should make use of the opportunity

provided by the Management and learn important aspects of defence. He also requested the members to participate in the interaction with the faculty, since it is a workshop and involves participation of both, the trainees as well as the faculty members. He also referred to the initiative of the Federation in teaching preventive vigilance in our programmes so that the number of instances of the disciplinary proceedings can be averted.

5. Shri.Hari Kumar, the Chief General Manger, in his inaugural address complimented the efforts of NATURE and expressed his happiness over the initiative of the Federation in conducting the programme. He desired that the Defense Representatives should work passionately and render justice to their members while handling the disciplinary cases. He also spoke extensively about the changed atmosphere in the bank and the various initiatives that the Bank has taken to see that over 15000 employees are kept at their best to serve the institution. He also spoke about the role of the Public Sector units in the order of priority i.e., Railways, Post and Telegraph and the Banking Industry and its great contribution to the progress of the country and considered the Banking Industry as the most important public sector unit rendering yeomen service to the masses of the country and he felt he is proud of being a banker in a Public Sector Bank. It is the endeavor of the bank to see that the innocent officers are not kept under tenterhooks and the employees also have a responsibility to see that the number of cases should be reduced. He conveyed that he strongly believes that innocent officers should not be punished. He wished the participants all success and advised them to take full advantage of the programme and get all doubts are clarified during their participation in 3 days programme.

6. Shri.VHari Narayanan, the President of the ABOA Unit-SBT proposed the vote of thanks. ■

SUNDAY WORKING BRANCH 2ND AND 4TH SATURDAY

Federation had sent a communication to the Management requesting them to ensure that all Sunday working branches are converted

to Sunday holiday branches so that the fruits of continuous weekend are available to the officers.■

WORK IS WORSHIP , DO YOUR DUTY

21ST TRIENNIAL GENERAL COUNCIL OF SBIOA, PATNA A MEMORABLE EVENT IN THE HISTORY OF THE CIRCLE ASSOCIATION

The 21st Triennial General Council of the Patna Circle Association was held on 23rd January 2016 at Rabindra Bhavan PATNA City.

2. The dignitaries who were present on the occasion were led to the dais by the leaders of the Circle Association. Com.G.P.Srivastava, General Secretary, SBIOA Patna, extended a warm welcome to the Honourable Governor, Sri Ram Nath Kovind, Sri Awadesh Kr Sing, Animal and Fishery Resources Development Minister, Government of Bihar, Sri Abdul Bari Siddiqui, Finance Minister, Government of Bihar, Shri.Kishore Kr Das, General Manager, State Bank of India, Patna Circle, Com.D.T.Franco Rajendra Dev, President and Com.Y.Sudarshan, General Secretary of AISBOF, Com.S.L.Kularni, the Treasurer of the AISBOF and other comrades from various Circle Associations.

3. The lighting of the lamp was done by the Honourable Governor, along with the dignitaries present on the dais signifying the commencement of the 21st Triennial General Council.

4. Shri.K.K.Das, General Manager II and officiating Chief General Manager, in his special address complimented the role of the Association in contributing to the development of the State Bank of India and acknowledged the role played by the members all over the circle in ensuring the implementation of the various programs of the Bank. He referred to the responsibility of the Association and stated that the Association and the Management are two legs of the institution and he requested the association to continue its support in future as well.

5. Com.Y.Sudarshan, the General Secretary of the Federation expressed his whole hearted happiness over the large gathering and the meticulous manner with which the function is being organized and declared that the General Council is like big festival and confluence of the representatives of the Government, the Management and the Association. He also stated that there is a need to protect the Public Sector character of the Banks and he appealed to the dignitaries on the dais to convey the feelings of the officers of the bank to the Government and endeavor to retain the banks under public sector

ownership in order to serve the common man in the country. Any attempt to privatize the Public Sector banks is akin to pushing the parents to the Anathashram.

6. Shri.Awadesh Kr.Singh, Honourable Minister, Animal and Fishery Resources Development, Government of Bihar, speaking as Special Guest referred to the success story of the Bank Nationalization in the year 1969 and its role played in the economic development of the country. He was highly appreciative of the role played by the Bank Officers' fraternity in implementing all the programs of the Government.

7. Shri.Abdul Bari Siddiqui, the Honourable Finance Minister, Government of Bihar acknowledging the presence of the 1st citizen of State referred to the democratic system of our nation and its role in developing the country. The unions and associations are necessary to take care of the workers requirements.

8. His Excellency, Shri.Ram Nath Kovind, the Hon'ble Governor of Bihar in his inaugural address opined that if the Finance Minister of Center is concerned with the concern of the Finance Minister of State several major problems could be resolved. He expressed his happiness over the services provided by State Bank of India and mentioned that he is proud to be the customer of this bank. Expressing his sense of happiness for the invitation extended to him to the General Council Meeting he appealed to the Association to continue its effort to serve the society with utmost concern. He wished success to the 21st Triennial General Council.

9. Thereafter, the dignitaries from the Government including the Governor of the State were honoured with a memento as token of love and affection from the members of the Circle Association.

10. The first session of the Inaugural function concluded with a vote of thanks by Shri.Ajit Kumar, Mishra, Dy.General Secretary, Patna Circle.

11. The occasion was also utilized to welcome Com.Shivaji Singh and to felicitate him on the

occasion for the excellent services he rendered to the circle association during his long career in the organisation.

12. A cheque for ₹ 1,11,101/- was presented to the

President of the Federation by the President and General Secretary of Patna Circle association on behalf of the association towards the flood victims in State of Tamil Nadu. ■



MONETARY POLICY IN WAIT AND WATCH MODE - **Arundhati Battacharya - Chairman, SBI**

The RBI policy announcement maintaining a status quo was on expected lines. The decision was guided by uncertainty in global markets. Additionally, with the Union Budget round the corner, RBI may have preferred to adopt a wait-and-watch policy. However, the central bank has also mentioned that the inflation trajectory is evolving as per expectations; hence, there may be reasons to believe that RBI will continue in an accommodative mode.

Meanwhile, fragility in the global economic developments persist. Though the US labour market continues to support domestic demand – albeit, with stolid manufacturing – and deflation risks are possibly receding in the euro area, Japan is still mired in trouble despite the unique measures taken by its authorities. The Indian economy is experiencing some gain in momentum – RBI's outlook reveals a pick-up in the near-term. The dynamics of the service sector indicates continued acceleration in road construction and railway freight. On the external front, though exports remained muted, India continues to be a favourable destination for FDI.

There is one point of concern, though. Since the last monetary policy, system liquidity has been in a significant deficit mode. As of now, the liquidity deficit averages around Rs.1.5 trillion, compared to around Rs.500 billion deficit over October-November. There are reasons to believe that this may have been also driven by factors other than seasonal ones, like depletion in net foreign exchange assets. RBI however, has actively intervened through variable term repos to mitigate such liquidity tightness. With an enhanced Liquidity Coverage Ratio (LCR) – (from 60% to 70%- kicking in from January 2016 and deposit growth lagging, RBI may have to be proactive in managing the liquidity deficit through tools available at its disposal. Additionally, in a situation of capacity in a situation of capacity

underutilization, like the one we are currently witnessing, any possible liquidity injection may not be counterproductive as far as fuelling inflation is concerned.

Another cause of liquidity tightness is the sudden jump in currency demand by the public. For example, in the current fiscal, currency with the public has increased by a sharp 27%. Such an increase defies logic as nominal growth is currently weak. There may be two possible divergent explained by continued currency demand from the public even after the festive season. If this is so, this augurs well for buoyancy in consumer demand going forward. The alternative explanation could be that when people expect declining prices, they become less inclined to spend and also less inclined to borrow. In the words of Paul Krugman "After all, when prices are falling, just sitting on cash becomes an investment with a positive real yield" Whatever be the reason, this trend needs to be watched very closely.

The announcement of the central bank regarding making it easier to do business and facilitating growth of start-ups, consonant with the government's Startup India initiative, is a welcome one. These measures will create an enabling environment for receiving foreign venture capital, differing contractual structures embedded in investment instruments, deferring receipt of considerations for transfer of ownership, facilities for escrow arrangements and simplification of documentation and reporting procedures.

The enhanced LCR norms will also necessitate new products on the part of the banks. For example, banks in India provide working capital finance to their customers by means of cash credit (CC) limits. Cash credit is provided as a running account, which basically acts as a way to transfer working capital, cycle planning and forecasting function of customers

to the banks. Large cash credit limits, that can be drawn by the borrowers without any notice, may pose liquidity challenges for the banks. In addition, undrawn limits are considered as part of the possible outflows for LCR, resulting in banks being forced to maintain high-quality liquid assets (HQLA) that only means additional 4.5% G-sec holdings. Steps may be thus taken by the banks to eventually replace CC with working capital demand loans (WCDL). Interestingly, draws by customers under WCDL facility for specified durations would lead to development of term money market in India. New alternatives like invoice discounting and secured fixed rate note, on the lines of asset-backed

commercial paper, prevalent in developed markets may also be introduced to replace the prevalent CC system over due course.

On the deposit side, banks should be ready to offer non-callable deposits as a product at least to those customers for whom the run-off factor is higher. This will ensure lower bank holdings in HQLA, and hence a larger pie of fund for lending for productive purposes. In short, banks in India are on the cusp of a transformational change against the background of greater autonomy being envisaged for public sector banks. ■

Source: Financial Express dt.3.2.2016



SBI WOOS START-UP FIRMS, HNIs BY OPENING DEDICATED BRANCHES

State Bank of India on 14th January 2016 opened an exclusive branch to serve start-up companies in Bengaluru. This is the first of its kind branch opened by any bank in the country, said Smt. Arundathi Bhattacharya, Chairman of the bank. SBI also forayed into wealth management services for the first time by opening dedicated branch for high network individuals (HNI) in Bengaluru.

SBI has named the new branch for start-ups as InCube, which will offer a one stop for a variety of services including advisory to budding entrepreneurs. The bank intends to open similar branches in Pune and NCR later, she said. While the bank will not offer any loans or take equity exposure in start-up companies, the Chairman, Smt. Arundathi Bhattacharya said it would help entrepreneurs establish their start-ups firms and also advise with various issues such as regulatory, legal and compliance.

“With the new initiative of starting the SBI InCube, long felt desire for helping, guiding and counseling the new entrepreneurs in starting a new company / business enterprise, which so far was not available in the banking industry will be fulfilled,” the Chairman

said. With this entrepreneurs will be guided right from setting up of a company like registration of the company, legal issues connected with that and taxation issues among others will be properly explained to them under one roof she said.

SBI will also provide them with inputs from technology experts. The Bank has taken help from technology veterans such as Nandan Nilekani, former chairman of UIDAI and Infosys co-founder,, TV Mohandas Pai, former board member of Infosys, and iSPIRT among others, the Chairman, said.

On this occasion, SBI also opened its first exclusive wealth management services branch called SBI Exclusif in Bengaluru, which will cater to financial services requirements of high networth individuals. “We have a number of HNI customers in the Bank and potentially many more whose banking needs are more sophisticated and require a highly specialized service delivery mechanism,” Smt. Arundathi Battacharya, Chairman said. SBI has set up a remote relationship management centre to allow their customers to transact and avail wealth management services from the bank in other cities. ■

Source: Financial Express Date; 15.1.2016

‘DIGITAL BANKING IS NOW A GIVEN’

With most of the banks joining the digital bandwagon, alternative channels such as ATMs, internet, mobile banking and business correspondents are likely to become the main delivery channels for providing banking services in the country, said Smt. Arundhati Bhattacharya,

Chairman, State Bank of India.

Currently, besides the 16,400 –odd brick-and-mortar branches, SBI provides banking services through alternate touch-points including about 57,000 State Bank Group ATMs, 2.4 lakh point of sale terminals

OUR LIFE IS WHAT OUR THOUGHTS MAKE IT

around 58,600 customer services points /business correspondents, digital 'sbi –INTOUCH' branches internet and mobile banking.

The Chairman observed that digital banking is now a given and banks have to ramp up their game to ensure that they have much of their product/service offerings on the digital platform.

"Frankly India is a country where (transaction) volumes are very large, though the amounts are very small. So, in order to have a viable proposition, it (delivery) has to be a very low-cost model.

And the low-cost model cannot be managed unless there is enough technology behind it. Only with technology can volumes be managed. That will also ensure that the cost of delivery is not very high," explained the Chairman.

Given the thrust on inclusive banking, one of the imperatives is that delivery has to be technology – driven. Almost 65 percent of the population is below 35 years of age and the young generation is very technology savvy. They (the young generation) are very impatient, they want stuff to happen now, immediately, and they are not going to wait for delivery. They would like to have a choice as to where they do the banking transaction. "So, they are not going to be bound by having to come to a branch in order to do a job. They would like to do it (transaction) in the bus, in the train, in the office, at home, wherever, on the move," said the Chairman.

Banking for the tech-savvy

The Chairman said that since banks are going to have the young generation as customers, they need to create an ecosystem where much of their products can be actually delivered on the digital platform.

However she pointed out that the need for the touch and feel of the brick –and –mortar branch is not going to disappear so fast that a branch network will no longer be required.

"I don't think that is the case... While we do have about 65 percent of the population who are young, we have another 35 percent who are older and who definitely are used to a brick –and mortar branch presence. "... . And therefore, the brick and mortar will also be important. But maybe the look and feel will change depending upon the kind of people living in a particular locality," said the Chairman.

At this point in time though, the 24X7 digital branches are fewer in number (about 19 at last count); SBI plans to ramp these up to 100 by March 2016.

The digital branches have an ATM-cum-cash deposit machine; cheque deposit machine, passbook printer, a standalone ATM, and a multifunction kiosk (that enables a customer to do most things they would do at a branch, such as order a cheque book, block a cheque /card, seek TDS certificates, and remote expert facility to interact with the bank's experts on investments and borrowings. ■

Source: Business Line: Dt; 14.1.2016

SBI TO MONETISE NON-CORE ASSETS-MEETING CAPITAL NEEDS

State Bank of India is planning to monetise non-core assets and list some of its subsidiaries for meeting capital needs as well as global risk norms, Basel III, which will kick in from March 2019.

Public sector banks need ` 1.80 lakh crore to meet Basel III norms, while the government will provide only ` 70,000 crore, the rest will have to be borne by banks through profits and non-core assets. Said Smt. Arundathi Bhattacharya, Chairman.

"For instance, for us, we have a number of non-core assets which we are looking at monetising. We also have very successful subsidiaries which we have not listed. So, we can look at those as well," said the Chairman..

Chairman said individual banks are examining various ways through which they can raise the capital. "One thing I would like you to be assured about is that there is a lot of thought going (into it) and the banks will be capitalised enough in order to have good capital to support the economy. Meeting Basel III requirement is going to be a challenge. It is a challenge because India is basically capital starved. On top of that, you need capital to grow. And to compound all of this, you (have) regulatory requirements on keeping capital at higher level than Basel," the Chairman said.

This is a challenge that all banks have to face and they are in a position to base the kind of capital that the

regulator would like them to have, she added.

Stating that India does not require such stringent capital norms, chairman said. "Basel template as it was created was really and truly not meant for a country like India which has plain vanilla banking. West they have the investment-led model. They have got many, many complicated products."

Basel norms basically provide risk templates for banks and amount of capital it is required to keep against lending.

With regard to financial inclusion the chairman said, the banking sector has embarked on the second phase of the Pradhan Mantri Jan Dhan Yojana as 98%

households have bank accounts. Besides opening 70,000 accounts every day, the bank is now looking at providing other facilities like loans and over draft facility.

Terming Aadhaar as huge achievement for the country, she said, it is the world's largest database. "Aadhaar is not available in any other country of the world and it is something that can change financial inclusion totally because it is something that will enable us to ensure that subsidy goes to one person, goes directly into his hands, there is no middle person, there are no leakages in the system and therefore the efficiency of the usage of that subsidy is fully ensured," the chairman said. ■

Source : Financial Express - 13.1.2016

SBI LAUNCHES HOME LOAN SCHEME FOR WORKING EXECUTIVES

State Bank of India, launched a FlexiPay Home Loan scheme for young working professionals, which gives borrowers an option to pay only interest during a three-five year moratorium period. The customer, thereafter, will pay moderate equated monthly installments (EMIs)

The EMIs will be stepped up during the subsequent years, capturing payment of the principal

component. This arrangement is expected to lower the impact of such additional loan amount on monthly repayments in the form of EMIs, according to the bank..

This would enable young working professionals / executives to get higher loan amounts compared to their loan eligibility under normal home loan schemes. ■ *Source: Business Stnd. Dt.02.2.2016*

Judicial Verdict

[2016 (148) FLR 256]
CALCUTTA HIGH COURT)
SUBRATA TALUKDAR, J.
C.W.J.A.S.W.P. No. 15514 (W) of 2001
September 23, 2015

Between

UNITED BANK OF INDIA

CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, KOLKATA and others

Industrial Disputes Act, 1947– Sections 10(1) and 9-A– Withdrawal of Scheme Of special leave for workmen, who are suffering from serious decease– impugned order of reference and award, holding withdrawal of scheme by Bank as illegal– Challenged by Bank petitioner– Tribunal found the action of management of Bank to be arbitrary and directed reinstatement in consultation with IBA–Tribunal has applied its mind to deeper rational behind the scheme– Scheme is a humanitarian one and cannot be withdrawn by way of a knee-jerk reaction to circulars of Central Government– Bank should have given greater evidence of consultation More over the scheme continued for a period of nearly 17 years before being arbitrarily withdrawn– Tribunal has not erred in directing reinstatement of scheme. [Paras 14 and 15]

JUDGEMENT

SUBRATA TALUKDAR J. – This writ application is directed against the impugned order of reference of an industrial dispute dated 12th May,

1999 marked annexure P-6 to the writ application and the impugned industrial award dated 28th June, 2001 being annexure P-8 as passed by the Ld. Presiding Officer, Central Government

DUTY FIRST, RIGHT NEXT

industrial Tribunal at Kolkata (for short the Ld. Tribunal) vide the Reference No. 18 of 1999.

The writ petitioner is the bank being the United Bank of India (for short the Bank). At the core of the dispute is the Scheme introduced by the Bank in the year 1979 granting Special Leave for a maximum period of 360 days to the Members of the staff who have rendered 18 years of continuous service and, who may be suffering from 10 types of serious diseases as also, when leave of all descriptions have been exhausted by such employee. By the said Scheme such employees also became eligible for grant of an additional sum of ₹ 250 when the usual medical allowances are exhausted. The authority to sanction such leave was vested with the Chairman or at least 3 Deputy General Managers of the Bank, subject to review by the Board every year.

2. Sri R.N. Majumder, Ld. Counsel appearing for the Bank submits that the said Scheme was not a condition of service covered under the Bipartite Settlement between the bank and their non-officer employees. Referring to several memos of the Government of India, Sri Majumder argues that all banks including the Bank were instructed not to grant any additional benefits to the officers/award staff employees which are outside the purview of the officers' service regulations/ Bipartite Settlement without obtaining the prior permission of the Central Government.

3. Sri Majumder submits that such Government Instructions have commenced in the year 1994 and have continued till the year 1996. Pursuant to such Government Instructions the Bank was persuaded to withdraw the said Scheme which it did by issuing a notice dated 6th September, 1996 under section 9-A of the Industrial Disputes Act, 1947 (for short the ID Act). Such section 9-A notice was legally required to be issued since the benefits extended to the award employees fell within the class of benefits covered under the Fourth Schedule of the ID Act.

4. Sri Majumder also takes this Court to section 8 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (for short the 1970 Act). Relying on section 8 (supra) Sri

Majumder submits that it is the obligation of every bank to be guided by such directions in regard to such matter involving public interest as the Central Government may, after consultation with the Governor of the Reserve Bank of India, give.

5. Therefore, Sri Majumder points out that in view of the instructions received from the Ministry of Finance (Banking Division), Government of India commencing 1994 up to 1996 it became necessary under section 8 (supra) to act in terms of such instructions and therefore, the Bank issued the notice under section 9A of the ID Act (supra) on the 6th of September, 1996.

6. Although repeatedly affidavit-in-service has been filed by the petitioner, none has appeared to oppose the writ petition. Considering the age of the writ petition this Court was of the opinion that Sri Majumder be heard and the matter considered finally on merits.

7. From the records it transpires that the effective respondent No. 2 being the Bank Employees Union (for short the Union) protested the notice dated 6th September, 1996 and therefore by the impugned communication dated 12th May, 1999 a reference was made under section 10 of the ID Act to the learned Tribunal on the point whether the action of the Bank in withdrawing the said Scheme is justified and, if not, the relief that can be claimed by the employees.

8. The Reference was given the No. 18 of 1999 and the Union filed its Statement before the Ld. Tribunal pointing out that the said Scheme is an utterly humanitarian one and not at all contrary to the spirit of the Bipartite Settlement. It was also pointed out by the Union that the claims were by their very nature confined to a small group of gravely distressed bank employees found suffering on two grounds of any of the acute diseases of the 10 types stated in the Scheme as well as exhaustion of all their medical leave. Therefore, according to the Union, the said Scheme was introduced for grant of extraordinary medical leave to meet the distress both out of the disease together with the small amount of medical allowance.

9. The Union raised the further point that although notice was issued under section 9A of the ID Act on 6th September, 1996, such notice could not have been given effect to within a period of 21 days of its issue and, the Union wrote to the Chairman-cum-Managing Director of the Bank within the said period of 21 days, i.e. on 25th September, 1996. However, without receiving any response from the Bank, the said Scheme was unilaterally withdrawn.

10. Before the Ld. Tribunal the Bank contested the above position and, in its Written Statement submitted that the letter of the Union dated 25th September, 1996 was replied to by the bank on 3rd October, 1996. Therefore, the charge of an unreplyed letter does not stand.

11. By the impugned award passed by the Ld. Presiding Officer on the 28th of June, 2001 it was, *inter alia*, held that although it is claimed by the Bank that the letter of the Union dated 25th September, 1996 was replied to, the copy of such reply was never produced before the Ld. Tribunal.

12. The Ld. Tribunal was of the further opinion that the said Scheme was withdrawn in haste and even if the bank was faced with the circulars of the Government of India between 1994 and 1996 it need not have withdrawn the Scheme without deciding all the aspects to such withdrawal and, if necessary, would have sought post facto approval from the Indian Banks Association (for short IBA)/ Central Government. The Ld. Tribunal found the view of the Union acceptable that the said Scheme is of a humanitarian nature and directed towards only a few deserving persons. Additionally, the financial liability arising out of the said Scheme is not impossible to bear by the Bank. Therefore, the Ld. Tribunal found the action of the management to be arbitrary and directed reinstatement in consultation with the IBA properly.

13. Upon hearing Sri Majumder and on perusal of the records this Court finds that notwithstanding the argument in favour of due process being adopted by the Bank to make the point that the Bank has acted within the law while

withdrawing the Scheme, this Court at the same time notices, in the words of the famous poet Robert Frost, that the Bank missed the wood for the trees. Rather the Bank was overwhelmed by the trees.

14. This Court also finds that the Ld. Tribunal has applied its mind to the deeper rationale behind the Scheme. This Court notices that the Ld. Tribunal correctly found that the Scheme is a humanitarian one and cannot be withdrawn by way of a knee-jerk reaction to certain circulars of the Central Government which directed withdrawal of additional benefits extended by the Banks which are not part of the service conditions/ Bipartite Settlement without consulting the IBA/ Central Government. As correctly held by the Ld. Tribunal the Bank should have given greater evidence of consultation at the appropriate levels and deeper application of mind before withdrawing the Scheme.

15. This Court also cannot be oblivious to the fact that such Scheme continued between 1979 for a period of nearly 17 years before being abruptly withdrawn in the face of certain circulars of the Central Government. This Court also notices that the Ld. Tribunal correctly held that the Scheme applied to only the very few who had been rendered remediless because of disease and expiry of leave.

16. Having regard to the above facts and circumstances and notwithstanding the technical propriety of Sri Majumder's arguments, this Court does not find that the Ld. Tribunal erred in directing reinstatement of the Scheme in consultation with the IBA in a proper manner.

WP 15514(W) of 2001 stands accordingly dismissed.

Registry is directed to communicate this order to the non- appearing respondent Nos. 2 and 3.

Urgent certified photocopies of this judgement, if applied for, be given to the learned advocates for the parties upon compliance of all formalities

Petition Dismissed

**RNI. No. 36617 / 81 OFFICERS' CAUSE TOTAL NO. OF PAGES 12 FEBRUARY - 2016
 REGN.NUMBER.KRNA/BGE/202/2015-2017.REGD. NUMBER.527/MDS-POSTED ON
 15TH OF EVERY MONTH AT BANGALORE PSO,MYSORE ROAD, BANGALORE 560 026
 LICENSED TO POST WITHOUT PREPAYMENT. LICENCE NUMBER. WPP/82**

DEARNNESS ALLOWANCE

The Index Numbers for the quarter ended December 2015 are as under:

MONTH & YEAR	INDEX AS PER 2001 SERIES	CONVERSION FACTOR	INDEX AS PER 1960 SERIES
Oct 2015	269	4.63 x 4.93	6140.16
Nov 2015	270	4.63 x 4.93	6162.99
Dec 2015	269	4.63 x 4.93	6140.16
		Total	18,443.31
Average =		18,443.31/ 3	6147.77
Difference in excess of 4440 points			1707.77
D.A.paid for the previous quarter on (i.e. 398x4)			1592.00
Difference			115.77
Increase in number of Slabs =		115.77/ 4	28.94

Accordingly, Dearness Allowance is payable to Officers on 426 (i.e. 398+ 28) slabs with effect from 01-02-2016 as against 398 slabs for the previous quarter. The rates worked out are as per the industry level scales upto Scale VII including SBI.

Subscribe to

OFFICERS' CAUSE SUBSCRIPTION **DOMESTIC ENQUIRY SUBSCRIPTION** **LABOUR RESEARCH SUBSCRIPTION**
 Annual : ` .40/- Annual : ` .40/- Annual : ` .30/-

Drafts should be drawn in favour of
 All India State Bank Officers' Federation

and mailed to
 The General Secretary
 ALL INDIA STATE BANK OFFICERS' FEDERATION
 State Bank Buildings, St.Mark's Road, Bangalore-560001
☎ : 080 22270619: Fax : 080 22214959/22214956
 E-mail: aisbofbangalore@gmail.com
 Website: http://www.aisbof.org

Registered news paper

To:

If Undelivered please return to:

ALL INDIA STATE BANK OFFICERS' FEDERATION
 ST.MARK'S ROAD, BANGALORE - 560 001

Edited and Published by Sri. Y. Sudarshan on behalf of AISBOF, SBI Buildings, St.Mark's Road, Bangalore - 560 001. Printed by Sri C.A. Ramachandra Murthy at Anant Art Printery, Bangalore.