



# Officers' Cause



**SBI, LHO Jaipur- A Symbol of Heritage, Progress, and Sustainability**

## Editorial

### A NATION'S CRY: FROM CELEBRATION TO INTROSPECTION

This year's Independence Day was unlike any other. As the tricolour was hoisted across the nation and the streets were adorned with symbols of our hard-won freedom, a dark and painful reality pierced through the heart of the celebrations. The horrific rape and murder of a young doctor in Kolkata have left the nation in shock, casting a shadow over the festivities and prompting urgent questions about the true state of our independence.

The outrage was not confined to Bengal; it sparked a nationwide response. Across the country, a wave of protests, led by doctors' associations, surged with unprecedented intensity. From major cities to small towns, people from all walks of life took to the streets in solidarity. The Supreme Court of India also intervened, stepping in to ensure serving of justice. This collective fury and demand for accountability struck a deep chord, turning the protests into a powerful testament to the indomitable spirit of freedom—a spirit that confronts injustice head-on and remains unwavering, even in the face of immense challenges.

As we consider the significance of Independence Day, it's important to recognize that independence goes beyond freedom from colonial rule; it also embodies a state of mind. Rabindranath Tagore eloquently expressed this vision in his enduring poem, *"Where the Mind is Without Fear."* However, as we assess our current reality, can we truthfully claim that we have achieved this ideal? Are we truly living in an India where "the mind is without fear and the head is held high"? The persistent issues of violence against women, entrenched prejudices, and the widespread fear affecting many lives all highlight that our journey toward genuine independence is still ongoing.

When women are unsafe at work, we are denying them both equality and freedom. India, as a secular and democratic nation, still struggles to offer true freedom to all its citizens. While our nation has achieved greatness, we must ask: great for whom? For those who exploit and harm others? Existing laws fall short when the vulnerable continue to live in fear. True freedom will only be realized when every woman feels safe and secure.

In Indian society, the burden of safety is too often placed on women, restricting their freedom instead of holding men accountable. Women do not need protection; they need a world where they can live without fear and express themselves freely. Our daughters and sisters will be safe only when our sons and brothers are raised with the right values. Despite our nation's progress, we are failing in our humanity. When crimes against women occur, we become entangled in political debates, losing sight of the real issue—the suffering of the victims.

It is men, not women, who must take responsibility for ending violence and work collectively with a purpose. Telling women to change their behaviour only perpetuates the problem, making them less safe. Instead of teaching women to navigate a dangerous world, we must teach men to create a safer one. The tragic incident in Kolkata has once again cast a spotlight on the violence against women especially doctors and nurses in our country. We have also not forgotten the incidents in Manipur and other parts of the country.

In the wake of these tragedies, the need for change is not merely urgent—it is imperative. This transformation must encompass all levels, from individuals and families to society, workplaces, and the nation as a whole. True freedom, which includes ensuring a safer environment for women, cannot be achieved without a profound shift in both ourselves and our societal structures. This moment calls for deep introspection and heightened self-awareness. We need to heal the broken relationships within our families, strengthen our bonds, and cultivate a culture rooted in open communication, mutual respect, and empathy.

In our pursuit of a more inclusive and equitable society, it is essential to critically assess the environments we provide for women, both in workplaces and across society. A safe and supportive space is not just a necessity—it is a fundamental right that allows women to reach their full potential. However, the effectiveness of any legal framework is inherently limited without a genuine shift in societal attitudes. No law, no matter how strong, can truly protect women unless we, as a community, embrace a culture of respect, empathy, and equality.

Facing and transforming the deep-rooted biases and stereotypes that frequently compromise women's rights and dignity is a critical and immediate need. This requires cultivating an open-minded culture that values diverse perspectives, encourages respectful dialogue, and promotes gender sensitivity at every level of interaction. True progress is not merely reflected in policies but in the daily actions and attitudes that shape our workplaces and communities. A comprehensive shift in societal mindset—one that acknowledges and values women's contributions, rights, thoughts, emotions, and independence—is essential for building real, lasting change.

As we salute the tricolour, let it stand as a beacon of our unwavering commitment to building an India

where every individual, especially women, can truly experience freedom. Let the principles of truth, reason, and justice guide us forward. True independence goes beyond liberation from external forces; it encompasses the pursuit of inner peace and contentment. Ultimately, what matters most is not just our accomplishments, but the character we build in the process. It is about forging our own path with courage and conviction, living a life driven by purpose, and anchored in the values of justice, truth, and freedom. As we reflect on the struggles and sacrifices that have shaped this Independence Day, let us find the strength to continue the fight for justice, to ensure the safety and dignity of all women, and to build a more just and equitable society for everyone. ■

## COMRADE VINAY BHALLA STEPS UP AS CHAIRMAN OF THE FEDERATION

The Executive Committee of the All India State Bank Officers' Federation (AISBOF) convened a meeting in Delhi on the 16th and 17th of August, 2024, to deliberate on several key organizational matters of critical importance to our federation. Among the most significant decisions made during this meeting was the unanimous co-option of Comrade Vinay Bhalla as the Chairman of AISBOF. This co-option was necessitated by the superannuation of our former Chairman, Comrade A Sai Prasad, who retired from service on June 30th, 2024.



2. Com. Vinay Bhalla officially assumed his new role as Chairman on August 17th, 2024. His ascension to this prestigious position marks a remarkable milestone in his long and distinguished career within the State Bank of India and the officers' fraternity.

3. Born on February 1st, 1965, Com. Bhalla commenced his banking career with State Bank of Bikaner & Jaipur on May 1st, 1985. His dedication and exemplary service have seen him rise steadily through the ranks, culminating in his promotion to SMGS V in December 2011. His journey within the Officers' Association began in 1992, where his commitment and leadership qualities quickly came to the fore. By 1994, he had joined the Management Committee of the Officers' Organisation, and by

1996, he had established himself as a key member of this team.

4. Com. Bhalla's leadership journey continued with his election as Vice President of the Officers' Association for the 2012-2015 term. He then served as Deputy General Secretary until September 30th, 2017, before being elected General Secretary of the State Bank of India Officers' Association (SBIOA). His leadership in SBIOA has been exemplary, having

been re-elected unopposed for three consecutive terms, including the term beginning October 1st, 2023. This unopposed re-election as General Secretary of SBIOA Jaipur Circle is a testament to the trust and confidence that his peers place in his leadership abilities.

5. Com. Bhalla's contributions to AISBOF were first recognized in 2006 when he was elected as an Executive Committee Member. He served as Vice President of AISBOF from October 1st, 2017, to July 31st, 2018, before being elevated to Senior Vice President in September 2018. On September 4th, 2021, he took on additional responsibilities as Senior Vice President of AIBOC, further expanding his influence and leadership within the officers' fraternity.

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

6. Throughout his career, Com. Bhalla has demonstrated exceptional leadership across various roles within the bank, including his service as Branch Manager in five different branches and significant tenures in key departments at the Zonal Office and Head Office. His expertise in HR and Industrial Relations (IR) is particularly noteworthy, having authored numerous comprehensive guides on staff-related matters that have become indispensable resources for his fellow officers.

7. Com. Bhalla's reputation as a straightforward, eager-to-help, and logically minded leader has quickly established him as a dynamic force within our fraternity and the organization. His tenure as General Secretary has been marked by a proactive

approach to addressing members' concerns, consistently achieving favourable resolutions with Circle Management.

8. As Com. Vinay Bhalla steps into his role as Chairman, we are confident that under his capable leadership, our Federation will continue to scale new heights and further solidify its position as a formidable force within the banking sector. His vision, dedication, and leadership will undoubtedly inspire and guide the officers' fraternity toward greater achievements.

We extend our heartfelt congratulations to Com. Vinay Bhalla and wish him the very best in all his future endeavours. ■

## PARITY IN PAY – INTRODUCTION OF SPECIAL PAY FOR OFFICERS

We are pleased to update our members on the significant progress we have made in addressing a longstanding concern among the officer cadre: achieving parity in compensation through the introduction of Special Pay for officers. Historically, our officers have sought a distinct compensation package reflective of our institution's exceptional performance, over and above the industry-wide settlements.

2. The demand for a separate package gained momentum, particularly after the 11th Bipartite Settlement, effective from November 1, 2017, which resulted in a bank-level agreement for various categories of workmen. This settlement significantly narrowed the gap in pay and superannuation benefits between officers and clerical staff, leading to a decline in the number of clerical staff opting for promotions. The resulting stagnation, with limited monetary incentives, adversely affected the morale of our officer cadre.

3. Over the past three years, we have consistently raised this issue in various forums, including Central Negotiating Council meetings. Our communications dated February 19, 2021, May 4, 2021, May 22, 2023, June 3, 2023, and April 9,

2024, highlighted the urgent need for adjustments in grade or special pay. We presented detailed analyses across different scales to underscore the necessity of these adjustments.

4. The industry-wide agreement on pay components under the 8th Joint Note and 11th Bipartite Settlement further widened the pay gap. This disparity has, at times, resulted in officers receiving less compensation than their clerical counterparts who continued as clerks and were promoted to higher positions such as Special Associate and Chief Associate after 16 and 24 years of service, respectively. This breach exacerbated the disparity in pay and benefits. Following the 9th Joint Note and 12th Bipartite Settlement, we made a detailed representation to address this inter-se anomaly at the bank level.

5. Our contention was that an officer promoted from the clerical cadre should not receive less compensation than they would have received had they remained clerks. Introducing grade or special pay was essential not only to correct these disparities but also to uphold the dignity of our officers.

6. The reduction in the pension gap due to pay

discrepancies further highlighted the urgency of addressing this issue. We have held productive discussions with the CGM (HR) and DMD (HR) & CDO, subsequently presenting our case to the Managing Directors and the Chairman. We advocated for intervention to establish differential grade pay or special pay across scales, with superannuation benefits (including NPS) inclusive of DA, HRA, and PF, effective from November 1, 2022. Additionally, we proposed that this adjustment be applied retrospectively, on a notional basis, from November 1, 2017, to ensure that officers who retired during this period receive their rightful superannuation benefits.

7. We are pleased to announce that the bank's top management has taken our concerns seriously and has resolved the disparity. The Executive Committee of the Central Board (ECCB), in its meeting held on August 13, 2024, decided to introduce a "Special Pay" for all permanent officers of the bank, irrespective of grade or scale, with the following key features:

### 1. Special Pay Structure:

- ₹ 4,000 per month upon completion of 16 years of service in the bank, up to 24 years.
- An additional ₹ 8,500 per month (cumulative ₹ 12,500) upon completion of 24 years of service in the bank.

### 2. Components and Benefits:

- The "Special Pay" will be factored into DA, HRA, and superannuation benefits (PF, Pension/NPS, and Gratuity).
- It will be taxable in the hands of the officers.

### 3. Eligibility Criteria:

- This benefit is exclusive to permanent officers; contract, temporary, casual, or commission-based officers are not eligible.

- The "Special Pay" will be calculated based on completed years of service in the bank, excluding any periods not considered as service. Previous service periods/experience will not be factored into eligibility.

### 4. Effective Date:

- The "Special Pay" will be effective from August 1, 2024.

8. While our request for the retrospective application of "Special Pay" from November 1, 2017, was not accepted, the ECCB's decision to introduce "Special Pay" marks a historic milestone, eliminating the pay disparity and ensuring fair and just treatment for our officers.

9. We are particularly delighted that this benefit coincides with the assumption of office by our new Chairman, Shri C. S. Setty, giving a sense of accomplishment to our officers. We also view this as a parting gift from our previous Chairman, Shri Dinesh Khara, to the entire officer fraternity. We extend our sincere gratitude to the Chairman, Managing Directors, and Team HR under the guidance of DMD (HR) & CDO for resolving this glaring anomaly. We also appreciate our members for their patience and continued faith in the leadership during this period.

10. With the resolution of two major anomalies - the increase of basic pension from 40% of last drawn pay to 50% without any ceiling, and the redressal of pay disparity with the introduction of special pay - we are confident that our members will work with renewed enthusiasm in the remaining half of the financial year, giving their heart and soul to the organization that takes care of all of us.

Let us all join together with renewed vigor and pledge to see our bank always as the numero uno in the industry. ■

## REPRODUCTION OF UFBU CIRCULAR NO: UFBU/2024/7 DATED 26-08-2024 BIPARTITE TALKS WITH IBA ON RESIDUAL ISSUES

*Text of AIBOC Circular No. 2024/19, dated 27.08.2024.*

### BIPARTITE TALKS WITH IBA ON RESIDUAL ISSUES

When we signed the wage revision Settlement/ Joint Note on 8-3-2024, some of the issues that could not be taken up for discussions during the negotiations were listed as residual issues for being pursued further. A round of Bipartite Talks was held today between IBA and UFBU at Bengaluru on these issues.

IBA team was headed by Shri Rajneesh Karnatak, (MD&CEO, Bank of India) Chairman of the Negotiation Committee along with Shri S L Jain (MD&CEO, Indian Bank) and Shri Nidhu Saxena (MD&CEO, Bank of Maharashtra). Shri Rakesh Sharma, (MD&CEO, IDBI Bank) participated in the meeting through VC. UFBU was represented by all the constituent Unions.

*We furnish herein the gist of the issues discussed in the meeting today:*

**1. Improvement in PLI scheme:** IBA informed that Banks have been advised of the revised norms for grant of PLI as per the Minutes signed on 15-6-2024 with our Unions. We pointed out that some of the Banks are moving unilaterally in the matter of fixing the parameters and the same should be discussed with the Unions/ Associations.

**2. Updation of Pension:** IBA informed that the issue continues to be sub-judice and hence cannot be discussed at this stage. We have requested that looking to the profit of the Banks for the year 2023-24, the amount of ex-gratia may be reviewed.

**3. Exemption of additional 4% contribution by managements towards NPS from Income-tax:** IBA informed that this has been announced in the recent Budget

proposals and hence would be acted upon on receipt of proper guidelines from the Government.

**4. Five Days Banking:** We pointed out that even though the IBA has agreed to the Unions' demand and recommended to the Government vide MOU dated 7-12-2023 and Settlement/ Joint Note dated 8-3-2024, the issue is still pending with the Government. IBA informed that the issue is being pursued by them with the Government. From our side, we pointed out that we have been patiently awaiting Government's approval of the same and conveyed that any further delay would only result in industrial unrest and UFBU would be constrained to take decisions to ventilate the agitated feelings of the workforce.

**5. Additional Conveyance Allowance for employees with benchmark disabilities:** IBA informed that Government's revised guidelines to increase the amount to Rs. 600 has since been received and communicated to all the Banks.

**6. Extension of Ex-gratia for pensioners of private Banks:** IBA agreed to our suggestion to inform the private Banks who are parties to the Pension Settlement that they may extend the Ex-gratia to the pensioners in their Banks as has been implemented in public sector banks.

**7. Group Medical Insurance Policy for in service employees/officers and retirees:** IBA informed that in terms of the Minutes signed with our Unions on 2-7-2024, the issue has been addressed and a composite Group Medical Insurance Policy is being worked out for in service staff and retirees with a uniform rate of premium and common commencement date which is expected to result in some relief to the retirees. We reiterated that the premium payable by the retirees be borne by the management.

**8. Finalising the scheme for Leave Bank:**

IBA outlined the scheme being prepared by them and informed that the scheme has to be scrutinised from income-tax angle (since the eligible employees/officers would be paid salary for the loss of pay period) before the scheme can be decided for implementation.

**9. Option to employees covered by NPS to switch over to OPS:**

IBA informed that the issue needs further discussions in the light of recent decision by the Government on UPS.

**10. Extending the DA scheme of 12th BPS/9th Joint Note to pensioners prior to 1-11-2022:**

IBA informed that the issue needs further discussion before any view can be taken by them.

**11. Changes in Disciplinary Action procedure:**

It was decided to discuss the issue further in the next meeting.

**12. Allocation of Funds to Staff Welfare Fund:**

IBA informed that recently the Government has issued guidelines dated 5-8-2024 increasing the ceilings under the Scheme. We reiterated our demand that the fund should be allocated based on operating profits instead of net profits.

**13. Adequate recruitments in the Banks:**

We raised the issue of the need for adequate recruitment in all the Banks. It was agreed to discuss the issue further.

**14. Outsourcing:** IBA raised the issue that managements be permitted to outsource non-core jobs in view of RBI guidelines and Supreme Court judgment. We informed that the issue may be discussed in subsequent meetings after unions discuss the issue amongst themselves.

**15. Modification in Compassionate Appointment Scheme:**

IBA wanted more details from us and it was decided to discuss the issue further.

**16. LTC/ LFC Monetisation scheme on the lines of SBI and RBI scheme for officers:**

IBA wanted more details from us and it was decided to discuss the issue further.

**17. Notional First Stagnation increment for officers in SMGS-V who retired during 01.11.2017 to 31.10.2020: We have raised the issue;**

it was agreed to discuss the issue further.

**18. Anomaly in fitment on promotion from clerical cadre to JMGS-I, from one scale to another:**

IBA informed that the issue has been resolved and the model formula for fitment of pay of employees on promotion duly implementing the provisions of 12th BPS and 9th Joint Note has been advised to Banks.

Few other issues listed under residual issues for both workmen and officers shall be discussed further in the next meeting. ■

**173RD PROGRAMME BY N.A.T.U.R.E.****WORKSHOP ON DISCIPLINARY & VIGILANCE PROCEEDINGS****HELD ON 28TH & 29TH JULY 2024 AT HYDERABAD**

National Academy of Trade Union Research and Education (NATURE), a wing of All India State Bank Officers' Federation (AISBOF), conducted 173rd programme on Disciplinary & Vigilance Proceedings at the behest of State Bank of India Officers' Association (SBIOA), Hyderabad Circle on 28th and 29th July 2024 at SBIOA (HC) Narayanaguda Guest

House, Hyderabad, wherein 40 office bearers and activists of SBIOA (Hyderabad Circle) participated.

2. Shri Jitendra Kumar Sharma, DGM & CDO of Hyderabad Circle inaugurated the programme in the gracious presence of Com. K Anjaneya Prasad, General Secretary SBIOA (Hyderabad Circle), Com. I Krishnam Raju, Secretary General, SBIOA (Hyderabad

Circle), faculty members of NATURE – Com. Y Sudarshan, former General Secretary, AISBOF and former President AIBOC, Com. A. Sai Prasad, former Chairman, AISBOF and former General Secretary SBIOA (Hyderabad Circle), Com. D. Shyam Sunder Rao, former President, SBIOA (K) & Com. S Appaswamy, former President SBIOA (Hyderabad Circle). Com. TN Ravi Prakash, Vice President, Com. A Vijay Kumar, Deputy General Secretary, Headquarters, Com. M Vikram, Treasurer SBIOA (Hyderabad Circle) also graced the occasion.

3. In his gracious welcome address, Com. K Anjaneya Prasad, General Secretary SBIOA (Hyderabad Circle), underscored the importance of having robust defense representatives within the Circle. He urged all participants to leverage the vast expertise of the faculty members from NATURE, who have traveled great distances to Hyderabad, and encouraged everyone to embrace the role of defense representatives.

4. Shri Jitendra Kumar Sharma, DGM & CDO of Hyderabad Circle, in his inaugural address, expressed gratitude to the NATURE faculty for organizing the workshop for the officers at Hyderabad, highlighting the benefits it would bring to the Circle. He spoke on the Constitution of India and its Preamble, discussing its significance in establishing the framework for governance and protecting citizens' rights.

5. Com. A Sai Prasad, during his insightful address, praised SBIOA (Hyderabad Circle) for organizing the workshop on Disciplinary Proceedings within a month of the new leadership's formation at Hyderabad Circle. He stressed the importance of up-skilling knowledge in DP and Vigilance proceedings and encouraged participants to seize this golden opportunity for the betterment of the association and its members.

6. Com. Rupam Roy, General Secretary of All India Bank Officers' Confederation (AIBOC) and President AISBOF, delivered an inspiring speech via video conference. In his amicable style, he provided updates

on recent developments within the Bank. His speech was well received, with participants expressing their joy and appreciation through continuous applause, leaving them with a positive and uplifting experience.

7. The comprehensive two-day workshop culminated in a valedictory ceremony graced by distinguished leaders: Com. Hatkar Shankar, President SBIOA (Hyderabad Circle), Com. K Anjaneya Prasad, General Secretary SBIOA (Hyderabad Circle), and Com. I Krishnam Raju, Secretary General SBIOA (Hyderabad Circle). Esteemed members of NATURE, including Com. Y Sudarshan, Com. A. Sai Prasad, Com. D. Shyam Sunder Rao, and Com. S Appaswamy, shared their seasoned insights. The presence of Com. TN Ravi Prakash, Vice President SBIOA (Hyderabad Circle), Com. A Vijay Kumar, Deputy General Secretary Headquarters SBIOA (Hyderabad Circle), and Com. M Vikram, Treasurer SBIOA (Hyderabad Circle), reflected the collective leadership supporting the event. Participants shared their views and expressed their happiness at the conclusion of the programme. Com. A Giridhar, Deputy General Secretary Secunderabad Module, proposed the vote of thanks.

8. Comrades, the 173rd session hosted by NATURE stands as a testament to our continuing accomplishments. This newly designed two-day workshop on Disciplinary Proceedings unfolded successfully, drawing deeply encouraging feedback from all participants.

We urge all our affiliates to emulate this initiative by conducting similar workshops on Disciplinary Proceedings, Cadre Development, and Leadership Development. Such programs are invaluable for the professional growth of our office-bearers and activists, serving not only their individual advancement but also fortifying the foundations of our Association. ■



## DEARNESS ALLOWANCE - AUG TO OCT 24

The Index Numbers for the quarter ended June 2024 are as under:

DA Payable for the months - Aug 24 to Oct 24	
Month	Index as per 2016 series
Apr-24	139.40
May-24	139.90
Jun-24	141.40
<b>Total</b>	<b>140.23</b>
New DA Rate	17.20
DA Rate for Previous Quarter	15.97
Increase	1.23

Accordingly, Dearness Allowance is payable to Officers is 17.20% slabs with effect from 01.08.2024. The rates worked out are as per the industry level scales up to Scale VII including SBI. ■

## FALLING DEPOSIT GROWTH: THE ROT IS IN THE BRANCH

By.....Monika Halan

RBI must look in the mirror to see how a lack of regulation of third-party sales and inadequate competition in the banking industry led to the current situation

Alarm bells rang earlier this year within the ministry of finance and the Reserve Bank of India (RBI) over slowing deposit growth at a time when credit growth was robust. Banks need the fodder of fresh deposits to keep lending going. As Indian economic activity picked up after the Covid shock, and with both bank and corporate balance sheets getting cleaned up, there has been a pick-up in bank credit. But, over the past decade, a mix of investor choices and an increased focus on third-party product sales by bank branch staff have reduced the growth rate of deposits. The fall is sharp enough for both RBI and the finance minister (FM) to worry about it. In fact, the FM met the heads of public sector banks this week and asked them to use innovative methods to drive deposit growth. Though recent data shows a small uptick, the underlying problem of bank deposit growth slowing over the long term has deep roots: Lack of innovation, rules that punish investors for changing their mind, and a general

lack of trust in bank branches due to the hard-sell of insurance products add to the problem. RBI must look in the mirror to see how a lack of regulation of third-party sales and inadequate competition in the banking industry have led to the current situation. The banking lobby's act of getting the ministry of finance to change tax rules around debt funds in order to make them less attractive to investors as compared to deposits has not done much to nudge investors to change their behaviour.



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

It is everybody's experience that bank branch staff are highly incentivised to sell life insurance products. They have steep targets for policy sales and their career growth depends on how well they do in steering people away from deposits into life insurance. They usually sell money-back or endowment policies that can technically have a commission value of up to 100% of the first premium. It's no surprise that in the financial year 2022-23 (FY23), the first-year premium through the banking channel totalled nearly ₹ 81,000 crore. This is 5.5% of the total bank time-deposit growth over the previous year. If the investors who were sold insurance had done a fixed deposit (FD) instead, time-deposit growth would have been higher by 5.5% or almost ₹ 81,000 crore.

RBI has taken a view that the oversight of third-party sales (insurance, mutual funds) rests with the product regulators, but does not answer the question of how another regulator will monitor the behaviour of bank staff. RBI has not put in place an effective penalty structure for unsuitable sales of third-party products through the bank branches. A toxic experience in the branch serves to reduce trust in banks and nudges investors to seek other avenues of accessing investment products outside of the banking pipelines. This too should worry banks since they are large distributors of mutual funds, selling to individuals around ₹1.9 lakh crore worth of mutual funds in FY24.

In addition to issues of trust, there are also unfair rules that punish depositors for changing their mind mid-way in a fixed deposit. For example, if an investor breaks a five-year FD at the end of two years, she loses about 1% in interest — that is fair. But she also loses the five-year deposit rate and gets paid out interest for a two-year deposit. But she has already paid tax on the interest income as calculated for a five-year deposit. By comparison, in a debt fund, she would get the mark-to-market price on the day of the

exit, making that option more attractive to the non-risk-averse investor.

Another factor is the lack of innovation in attracting deposits. FDs remain a suitable product for money needed within three to five years and are a great product for keeping emergency money for millions of middle-class Indians. Making the FD a targeted goal-oriented product and selling it like that would possibly make the more financially aware middle-Indians more open to the use-case of the product.

Finally, banks will have to compete in a very aggressive financial market where there are plenty of choices of products and pipelines that connect people to products. Most banks give access to mutual funds through their platforms but mostly sell regular plans — or those that carry trail commissions. But, along with this cost, the required advice on portfolio construction and management is seldom available. Savvy investors prefer to go directly through apps or other platforms that allow the choice of a direct plan that has no transaction fees or trail commissions. In a competitive marketplace, relying on the strength of lobbying to get tax rules changed to benefit deposits is a short-term win for the banks and RBI.

Banks actually are poised in a strategic place to offer advice to investors to manage their portfolios. There is still trust in the institution and the branch network allows for the use of technology-aided advisory service that keeps the customer from wandering off elsewhere. The share of the pie will be divided between various assets of course, and there is always a market for the risk-averse investor, but a greater focus on the investor rather than the bank's current bottom-line will be a longer-term win for both. And finally, how much risk people take with their money should be a matter of personal choice rather than a moral lecture from a regulator.

(Monika Halan is the author of the Let's Talk Money book series. The views expressed are personal). ■



On behalf of the entire officers' fraternity of SBI, we extend a warm and heartfelt welcome to **Shri Challa Sreenivasulu Setty** as the new Chairman of our esteemed institution.

We are eager to embark on this new chapter under his visionary and dynamic leadership. With his vast experience and strategic foresight, we are confident that Shri Setty will usher in a new era of growth, innovation, and excellence for our bank. His guidance will undoubtedly inspire us to achieve new milestones and navigate the challenges ahead with renewed determination.

We are enthusiastic about collaborating with him to achieve our objectives of sustainable growth, organizational excellence, and the welfare of our dedicated workforce. Once again, we welcome Shri Setty and assure him of our utmost cooperation and commitment in contributing to the success of our beloved organisation.

With **Shri Dinesh Khara** concluding his remarkable tenure at the helm of SBI, we extend our deepest gratitude for his outstanding leadership and visionary guidance. His term has been a period of significant



accomplishments, including positioning SBI as the highest profit-earning bank and navigating complex challenges with steadfast dedication and strategic insight. Under his leadership, SBI has not only strengthened its position but also set new standards in innovation, customer service, corporate responsibility, and employee welfare. Shri Khara's pivotal role in resolving the 40-50% pension anomaly and extending "Special Pay" to officers, stands as a testament to his commitment to employee empowerment. His relentless pursuit of excellence and passion for pushing boundaries have left a lasting legacy on the institution.

With Shri Khara embarking on the next phase of his journey, we wish him continued success and fulfilment. May he find great achievements and personal satisfaction in all his future endeavours.



We are delighted to welcome **Shri Rana Ashutosh Kumar Singh** as the new Managing Director of SBI, overseeing Risk, Compliance, and SARG. His extensive experience and profound understanding of the banking bring a renewed sense of hope and optimism as we look forward to his leadership and strategic vision in guiding our bank towards greater success and elevating SBI to new heights of excellence.

As he assumes this pivotal role, we extend our full and constructive support to him. Together, we are committed to achieving our shared goals and upholding the core values that make SBI a trusted name in the banking industry.

## **SBI, LHO JAIPUR- A SYMBOL OF HERITAGE, PROGRESS, AND SUSTAINABILITY**

**Jaipur**, the capital of Rajasthan is renowned for its rich cultural heritage and majestic Vedic architecture that blends ancient Hindu, Mughal, and Western urban planning concepts. Known as India's Pink City, Jaipur has been designated a UNESCO World Heritage Site, enhancing its global significance.

Nestled in the heart of the walled city of Jaipur, the State Bank of India, Local Head Office elegantly merges modern functionality with traditional Rajasthani architecture.

Originally the head office of the erstwhile State Bank of Bikaner and Jaipur (e-SBBJ), this iconic building was inaugurated on March 6, 1981, by then SBI Chairman Shri P.C.D. Nambiar. Following the April 1, 2017 merger, the SBI Jaipur LHO commenced operations here, marking a new chapter of growth and achievement for the Jaipur Circle.

The building's design reflects Rajasthan's architectural splendor, with intricately crafted jharokhas inspired by Hawa Mahal, celebrating the region's heritage. Emphasizing sustainability, the building also features a 70 KW solar power plant, showcasing SBI's commitment to renewable energy and environmental stewardship.



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